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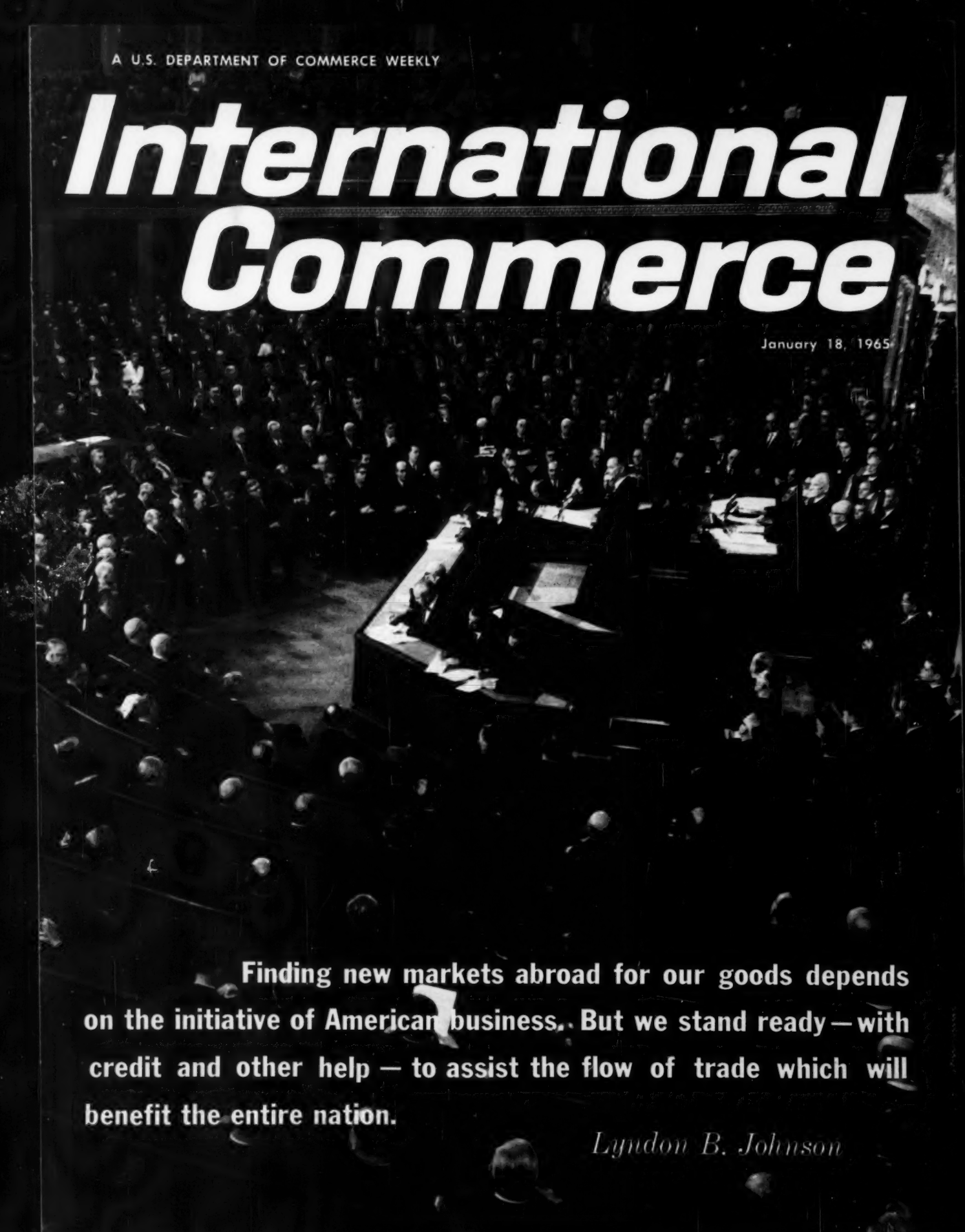

Finding new markets abroad for our goods depends on the initiative of American business. But we stand ready—with credit and other help—to assist the flow of trade which will benefit the entire nation.

Lyndon B. Johnson

Business Bulletins *from around the world*

AUSTRALIA—Imperial Chemical Industries of Australia and New Zealand (ICIANZ) and Phillips Petroleum plan a jointly-owned $17.9 million synthetic rubber complex in the Sydney area. Scheduled for completion by mid-1967, new complex to concentrate on production of poly-butadine, not currently produced here, but also will make butadine-styriene. Reportedly, plant will be second in world to use Phillips petroleum solution polymer process.

Camalco Industries, Pty., Ltd., jointly-owned aluminum complex of Conzinc Riotinto of Australia, Ltd., and Kaiser Aluminum, to spend $29 million on expanding its activities in bauxite mining, smelting, semi-fabricated mill products.

Capital investment by oil companies rose $126 million during 1964 financial year according to figures released by Petroleum Information Bureau. According to Bureau, refineries can now supply 87% of demand. Demand produced record domestic consumption of more than 3.8 billion gallons of petroleum products during 1964 financial year.

BELGIUM—International Standard Electric Corp., Wilmington, Del., forms ITT Industries Belgium to promote European sales of ITT industrial products manufactured in U.S., U.K., elsewhere.

Joint venture, Arkansas Europe, formed by Arkansas Co., Inc., Long Island, N.Y., other U.S. and Belgian interests to trade in, manufacture wide range of products, including oils, oil emulsions, coloring agents, paints, varnishes, insulating materials, tars, petroleum by-products, inedible oils and greases, preparative agents for hides and skins.

FRANCE—Exports to foreign currency areas in November valued at $679 million, increase of 19% over November 1963. Imports for November were $709 million, 9% above previous November.

HONG KONG—Oak Electronics Corp., Crystal Lake, Ill., establishes assembly plant for VHF television tuners. Firm to sell tuners to seven television manufacturers in U.S. who buy tuners from independent sub-contractors.

LUXEMBOURG—U.S.-Luxembourg treaty for avoidance of double taxation entered in force Dec. 22, 1964.

About 50 motorized barges expected to transfer to Luxembourg registry following enactment of appropriate legislation. Now registered in other countries bordering Moselle Canal, barges will transfer because of more advantageous social security, mortgage, investment provisions.

ARBED's new blast furnace at Esch/Schifflange, which began operations last fall, is country's largest. Fired by fuel-oil injection, furnace has diameter of 23.6 ft. and capacity of 800 tons pig iron per day.

MALAYSIA—Parliament approves legislation establishing Federal Industrial Development Authority (FIDA) to carry out feasibility studies for new industrial projects, advise Government on formulation of coordinated industrial development policy, undertake development of industrial sites either on its own or on behalf of States, review existing incentives to new industry (such as pioneer status).

Government receives 18 applications from automobile companies interested in setting up automobile assembly plants, but has not yet announced which applications have been approved. Applications include those from Ford, General Motors, Chrysler.

NETHERLANDS—Standard Oil Co., of California sets up Dutch subsidiary, California Petroleum Nederland N.V., to do drilling in North Sea and on mainland.

Per-capita purchases of U.S. goods in 1963 totaled $63.01, while Dutch exports to U.S. amounted to only $1.12 per capita.

Number of foreign visitors during first half 1964 reached nearly 2 million, 16% over like period 1963. Visitors from U.S. numbered 260,000, 25% increase.

NORWAY—Press reports that main organizations of wholesale grocers in Denmark, Finland, Norway, Sweden decide to establish joint company called United Nordic Inc. Purpose of joint company is to coordinate purchases of affiliated wholesale grocers to enable them to obtain more valuable credit terms, prices. In 1963, this wholesale trade amounted to about $846 million.

SWEDEN—Government to remove seasonal import restrictions on fresh apples between Feb. 17 and June 30.

SWITZERLAND—Pool to centralize procurement of and demand for construction machinery established by number of Swiss civil engineering firms in cooperation with Swiss trust company to insure maximum efficiency in utilizing such equipment.

Production of electricity during hydrographic year ended Sept. 30, 1964, rose to 22,864 million kilowatt hours, up 4% from preceding 12-month period. About 99% of this output came from hydroelectric power stations. Consumption rose 4% to 21,700 kilowatt hours. Principal consumers were households (35%) and industry (30%).

Government approves $20.8 million to be spent on foreign aid from last Jan. 1 to June 30, 1967. Expenditure represents annual rate of $8.3 million, 80% increase over 1962-1964 program.

THAILAND—Cornerstone ceremonies held for Bangkok's largest hotel, Hotel Siam Intercontinental. Estimated cost of $5 million financed in part by Export-Import Bank. Hotel to be operated by Intercontinental Hotels Corp.; will open in 1966 in time for Asian Games in Bangkok.

UPPER VOLTA—United Nations Special Fund agrees to assist in financing surveys of water and mineral resources. Initial project, to be expanded at later date, will cost $1.7 million and will last three years.

VENEZUELA—Government establishes Andean Corp., autonomous agency for developing Andean region. Corporation also can act in other areas where close relationships to problems of Andean area exist and can cooperate, with Presidential approval, with Colombia in frontier areas.

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the cover

President Johnson, in his Jan. 4 State of the Union message, told the nation of the need to market U.S. goods and services in other countries. This, he said, will require the initiative of American businessmen. This week's issue tells the story of trade conditions in over 50 countries. See pages 2 through 59.

The cover photo records the first time in some 30 years that Congress met in the evening to hear the President report on the State of the Union.

International Commerce

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Exports hit a new peak

Sales abroad soar to record high for fifth consecutive year, top $25 billion in '64

By staff members
International Trade Analysis Division, BIC

U.S. exports advanced vigorously in 1964.

Spurred by strong demand and by the stepped-up export promotion activities of U.S. business and the Government, the nation's foreign sales achieved a new high for the fifth consecutive year. Reaching an estimated $25.1 billion level in 1964, exports, excluding military grant-aid, scored a 13% gain over 1963. Three-fourths of the gain was in industrial products other than food.

With overseas business activity and consumer demand expected to remain strong, the outlook for U.S. exports in 1965 appears promising although the rate of expansion, in all probability, will not be so large as in 1964.

Significant factors affecting the level of U.S. exports this year will be our ability to increase interest abroad in U.S. merchandise through various public and private promotional efforts, to grant better credit and service facilities, and to maintain our relative competitive advantage in unit costs of production.

The exceptional advance in U.S. exports in 1964, accompanied by the less rapid increase in imports, raised the merchandise trade surplus to $6.5 billion, the highest level since 1947. This represents a 25% gain over 1963. Last year's large trade surplus was a major factor in reducing the deficit in the U.S. balance of payments.

Upsurge in capital equipment

Running at an annual rate of $7.8 billion, U.S. capital equipment exports through October—primarily machinery and transport equipment—were 17% ahead of 1963. Particularly encouraging was the growth in machinery shipments which accounted for more than one-fifth of total U.S. exports. Despite competing domestic demands on the Nation's output of machinery, U.S. exports rose by 17% over 1963 to a total of $5 billion through October.

Although manufacturers' new export orders declined from the second to the third quarters of 1964, they were considerably ahead of the preceding year. The backlog of unfilled export orders at the end of October was virtually unchanged from that of the preceding month, but it was almost one-fifth greater than the October 1963 level. This, coupled with an anticipated growth in capital investments overseas, should support a further expansion of exports of U.S. machinery and equipment in 1965 though possibly at a slower rate than last year.

The level of such exports, in any event, will be influenced, in part, by the ability of U.S. manufacturers to maintain their competitive advantage stemming from relatively fast delivery.

Construction and agricultural machinery accounted for about two-fifths of the gain in machinery shipments through October 1964 over the previous year. This rise resulted largely from the stepped-up road building and public housing programs in the developing countries, and from the worldwide drive to increase farm productivity and efficiency.

Machinery sales gain

Significant gains were also reported last year in foreign sales of office machines, metalworking machinery, and specialized industrial machinery. U.S. shipments of electronic computing and accounting machines reached a new high in 1964. Despite increasing foreign competition, the high quality of U.S. machine tools and faster delivery schedules also raised U.S. exports of metalworking machinery 16% above the 1963 level in the first 10 months of last year.

Buoyant demand for auto parts for assembly, mainly in Canada, was a major factor leading to the strong rise in foreign sales of automotive parts and equipment through October 1964 over a year earlier. The 1963 upturn in U.S. exports of trucks, buses, and chassis continued in 1964 with shipments in the first 10 months of last year more than one-fifth greater than in 1963. U.S. manufacturers of trucks face increasingly stiff competition, however, from producers in the United Kingdom, Federal Republic of Germany, and France. Import quotas and long-term credit financing at low interest rates by foreign competitors make U.S. export sales of trucks increasingly difficult.

Industrial supplies spurt

Continuing the advance which began in 1963, following the previous two-year downturn, U.S. exports of industrial supplies and materials in January-October 1964 climbed to a level 15% higher than in the preceding year. Overall industrial production in the major industrialized countries—expected to continue to rise in 1965 though at a slower rate than in 1964—should lead to increased sales this year.

Large scale research and development, resulting in new raw materials and improved products, as well as increased consumption of basic chemicals by overseas affiliates of U.S. companies were major factors contributing to the strong demand for U.S. industrial chemicals and plastics. The slower rise in U.S. exports of pharmaceutical and drug products, on the other hand, can be attributed to a great extent to increased foreign competition, and to the rapid growth of manufacturing facilities abroad. With the exception of exports of pharmaceuticals which are expected to decline, shipments of industrial chemicals and plastics are likely to reach new peak levels this year.

U.S. exports of iron and steel mill products through October rose by 28% over the same period of 1963 to $504 million. Despite severe foreign competi-

Unremitting effort

"American exports could rise to $50 billion a year in the next decade—double our present volume of exports—if the United States maintains its share of an expanding world trade.

"This would raise our exports as a percentage of gross national product above the present 4%, but our sales abroad would still be less than half the percentage of GNP exported by other industrial nations.

"This growth in our exports will require the most aggressive overseas sales program in U.S. history; it will require an unremitting drive to modernize plants so that our products can compete on price, and it will require restraint on the part of both management and labor in the matter of prices and wages.

"But we can do it. This is the kind of challenge that this country thrives on."

—Luther H. Hodges

tion, particularly from Western Europe and Japan, sales in 1964 were the best since 1957 and are expected to expand further in 1965. The one-fifth rise in our export sales of nonferrous metals in January-October 1964 was primarily due to increased shipments of aluminum. The relatively small rise in U.S. copper exports reflected the imbalance in the supply-demand situation.

Rising share

Wood and paper constitute more than 10% of our exports of industrial supplies and materials. The market-oriented paper manufacturers, by introducing many new products, have succeeded in recent years in capturing a rising share of world exports. Although U.S. shipments are expected to continue to advance in 1965, the rise will be less than the one-third gain in 1964. Accelerating last year and the year before, due to the effective trade promotional efforts of the industry and greater demand, lumber exports increased by about 12% in 1964. Trade missions to the Far East and other promotional activities are expected to increase sales of lumber this year.

U.S. exports of cotton last year hit a three-year high. All of the rise in cotton shipments last year, however, occurred in the first 7 months. Indications are that, while U.S. cotton exports in 1965 probably will not reach those of last year, a favorable volume seems likely.

The 5-percent drop in shipments of petroleum and products through October over the previous year reflected the generally downward trend in sales caused by the development of refining plants overseas, which was temporarily reversed during Europe's severe winter of 1963. Although coal exports did not continue to rise in 1964, gains in 1963 were maintained last year.

Steady gain in consumer goods

The rise in consumer goods exports, which in 1963 lagged behind total exports, expanded in 1964 at a slightly faster rate. Such exports, however, still account for only 6% of the total. Increased competition in many foreign markets, plus the failure of a number of U.S. firms to adapt their products to local needs, as well as import restrictions in many of the developing countries have hindered expansion of consumer goods exports.

Shipments of cars rose by more than one-quarter last year primarily from increased sales to Mexico. That country's booming automobile industry, however, is expected to have a significant impact over the long run upon U.S. car sales. U.S. exports of domestic household appliances, which had declined in 1963, rose by 13% last year.

Although production has continued to expand throughout the world, market saturation in many countries is still low. U.S. exports of these products are expected to advance slightly in 1965. Buoyant consumer demand resulted in increased sales of other consumer goods such as books, photographic equipment, clothing and textile fabrics, with export gains ranging from 11 to 20% last year over 1963.

Food and beverages

Exports of foods and beverages advanced by more than one-tenth in January-October over a year ago. Wheat shipments, the principal export gainer in the foodstuff group, declined sharply in the third quarter because of improved crops in Europe and greater competition from other exporting countries. Rising sales of corn and other coarse grains reflected increased demand for feed for Japan's expanding livestock industry and for building Western European herds.

Although total exports of food and beverages set a new record last year, sales in 1965 will likely be less than in 1964, primarily as a result of the expected fall off in shipments of bread grains.

World trade outlook

Current economic conditions and the outlook for U.S. trade in the majority of countries with which U.S. firms do business are summarized on the following pages.

The reports, written by country desk officers in the Office of International Regional Economics of the Bureau of International Commerce (BIC), are based on up-to-the-minute reports from U.S. Foreign Service posts, international economic organizations, banks, and other sources.

Accompanying most of the articles are data showing the value of each country's total imports and exports, and U.S. share of this trade, during January 1964 through the latest month for which that country's statistics are available.

To show U.S. foreign trade with a few countries from which recent statistics are not available, Bureau of the Census data have been used.

End-use categories of exports show healthy increase

(Millions of dollars)

	1963	Jan.-Oct. 1963	Jan.-Oct. 1964	% change from Jan.-Oct. '63
Total	23,660	18,999	21,516	+13
Capital equipment	6,782	5,560	6,500	+17
Machinery, total	5,195	4,265	4,986	+17
Agricultural machinery	183	159	191	+20
Construction machinery	1,305	1,066	1,316	+23
Trucks, buses, automotive parts	1,159	934	1,129	+21
Industrial supplies and materials [1]	8,181	6,689	7,676	+15
Chemicals and pharmaceuticals	1,667	1,397	1,616	+16
Steel mill products, castings, forging	485	393	504	+28
Nonferrous and other primary metals, unmanufactured	534	439	529	+21
Wood and paper	727	598	705	+18
Cotton	576	424	534	+26
Coal and related fuels	483	399	401	+ 1
Petroleum and products	492	411	390	− 5
Consumer goods, nonfood	1,494	1,189	1,368	+15
Passenger cars	275	186	236	+27
Food and beverages	4,106	3,285	3,756	+14
Grains and preparations	2,369	1,885	2,173	+15
Other [2]	2,698	2,279	2,216	− 3

[1] Includes materials used in farming.
[2] Includes special category military equipment and reexports.

Canada

Trade outlook still bright as economic upturn outlasts all expectations

By JOHN CRAWFORD
European Division, BIC

Prospects for U.S. exports to Canada in 1965 are good. These shipments may approach $5 billion, up some 6-8% from the estimated 1964 level.

There are grounds for such optimism. Canadian imports are expanding under the stimulus of rising domestic consumption. The current economic upturn in Canada has been under way for a record 49 months and still seems to have plenty of steam. Personal income promises to remain high. The largest number of Canadian workers in history is now employed, and the percentage of unemployed is the lowest since 1957. Farm income hit a new high of $3.2 billion last year, up 10% from the 1963 level.

Imports, Jan.-Sept. 1964

Total imports	$5,108 million
From U.S.	$3,546 million
U.S. share	69%

Exports, Jan.-Sept. 1964

Total exports	$5,555 million
To U.S.	$2,898 million
U.S. share	52%

Canada's chief imports from U.S.:
Machinery, automobile parts, other production components, textiles, raw cotton, fresh fruits, vegetables.

Chief exports to U.S.:
Newsprint, wood pulp, lumber, nickel and products, aluminum and products, crude petroleum.

Business confidence is strong. A recent survey by a leading Canadian business journal shows that executives are highly optimistic about 1965; the consensus expects a strongly rising trend in sales, profits, employment, and income, at least for the near term.

Last year's brisk demand for automobiles is expected to carry into 1965; sales were high until the strike against General Motors of Canada in early December. Production facilities are being expanded in the mining, forest products and other raw-material processing, electric power, and most manufacturing sectors of industry. The steel supply remains unusually tight. A $500 government bonus on winter housing starts is being used again as an incentive to offset seasonal unemployment.

Not quite as fast

Gross national product (GNP) for 1964 is estimated to have reached $42.6 billion, up 7% from 1963. This year GNP may expand at the more modest rate of 5% into the $44-$45 billion range.

During 1965, Canada will probably continue to buy heavily from the United States in industrial construction and farm machinery, auto parts and other product lines that have traditionally paced U.S. exports to Canada.

The outlook is also favorable for electrical and electronic apparatus, office machines, power generating machinery, mining equipment and many kinds of hand tools. Prospects for boosting sales of construction steel, plate and strip are good.

U.S. exports of raw cotton, textile fabrics, wearing apparel, glassware, and educational equipment will probably remain high, and rising personal incomes should provide opportunities to sell more U.S. fresh fruits and vegetables, fruit juice and other specialty foods.

Trade gained 17%

Canadian imports from all sources for the first 9 months of 1964 amounted to $5.1 billion, up 16% from the comparable period of 1963. Imports from the United States rose 17% to more than $3.5 billion. The U.S. share of the Canadian import market was 69% in both periods.

Manufactured goods comprise an increasing proportion of the expanded trade. The sharpest gains in major U.S. export lines were registered by the machinery and transportation equipment groups, which aggregated $1,539 million (up to 23%); miscellaneous manufactured articles, $256 million (up 15%); agricultural machinery and implements, $245 million (up 23%); electrical machinery and appliances, $213 million (up 12%); office machinery, $57 million (up 39%); auto parts for assembly, $310 million (up 34%); metalworking machinery, $55 million (up 49%); textile machinery, $33 million (up 37%); iron and steel, $120 million (up 33%); textiles and yarn, $80 million (up 23%). U.S. chemical and plastic exports to Canada advanced 11% to $250 million, with increases in most categories.

Imports of food and live animals from the United States declined by 3% to $312 million, while sales of fresh fruits and vegetables went up 3% to $131 million.

Total Canadian exports came to $5.6 billion for the first three quarters of 1964, up 24% from the corresponding period of 1963. This strong gain has contributed substantially to Canada's present prosperity. The United States took a little more than one-half of these exports, compared with 57% for the first three quarters of 1963.

Referring to Canada's foreign trade in 1964, the year-end review of the Minister of Trade and Commerce said that while Canadian exports rose more than imports, 1964 was the first time in several years that imports had risen more than shipments in the Canadian domestic economy.

Since there has been only small movement in the Canadian price level, the implication is that the improved position of imports is due more to heavy demand on Canadian production capacity than to a lessening of the competitive handicap to imports represented by the customs tariff and the currency differential in U.S. funds.

Capital outlays up

Over $10 billion of investment in new capital projects was reported in the Canadian economy during 1964, up substantially from the 1963 level. Expansion of 10 to 15% is predicted for 1965, with investment likely to be especially strong in steel, wood pulp, automobiles, chemicals, and mining. Other sectors where substantial investment is under way include electrical power, urban transportation, and commercial and institutional construction.

Plans for "Expo 67"—as Canadians call the Montreal World Fair, which will open in 1967—are developing. Construction of some of the principal components already has been started.

Amigos desean comerciar

Latin America presents trade picture that is both varied and encouraging

By staff members
American Republics Division, BIC

Prospects are favorable for further increases in exports to most of the countries of Latin America in the year ahead.

U.S. exports to the 19 republics (excluding Cuba) totaled $2.8 billion in the first nine months of 1964 according to the U.S. Census Bureau. This figure represents a 14.5% increase over 1963 exports in the comparable period.

In all but two countries—Brazil and Panama—the United States supplied more goods than in the January-September 1963 period. U.S. shipments to Mexico were the greatest in the area, valued at $769 million, followed by Venezuela ($438 million), Brazil ($283 million), Colombia and Argentina ($181 million each), Peru ($160 million), and Chile ($127 million).

While the dollar volume of U.S. sales in these markets generally registered substantial increases in 1964, the relative standing of U.S. sales did not fare so well.

According to available statistics, the U.S. share of Mexico's market remained at about 68% of the total in 1964 and 1963. The U.S. share in Venezuela was about 54% in both years; in Brazil it rose two percentage points to 33%; and in Colombia it dropped from 52% to 50%. A slight drop—from 25 to 24%—occurred in Argentina.

In Peru the United States accomplished the greatest rise, 37 to 41%. In Chile, there was a rise from 35 to 37%.

Categories

U.S. shipments included machinery and equipment, vehicles and parts, chemicals and medicinals, metal manufactures, fertilizers, aircraft and parts, plastic materials, and foodstuffs, principally wheat. Finished goods—textile manufactures, appliances, certain food products and luxuries—were less prominent than before.

In the other direction, Latin America continues to supply a sizable portion of U.S. food product and raw material needs. The United States imported about $2.6 billion in goods from Latin America in January-September 1964—a slight increase over the 1963 period when imports were $2.5 billion.

Venezuela was the largest supplier ($725 million) followed by Mexico ($493 million), Brazil ($367 million), Colombia ($182 million), Chile ($156 million) and Peru ($151 million). Argentina supplied less than $100 million in imports.

Imported products included coffee, sugar, fishery products, copper, iron ore, petroleum, other minerals, and miscellaneous foods and raw materials.

A rise in U.S. exports to the area may be expected in 1965, although on a somewhat diminished scale. The improved business outlook in several major countries will exert a favorable influence for expanded trade.

Increased rates of economic growth are apparent in Mexico, Brazil, Argentina, Venezuela, Peru, Chile, Central America and some of the smaller Latin countries.

Business confidence is being restored in several nations, notably Brazil and Chile, where unsettled political conditions have dampened interest in the very recent past.

The immediate outlook is uncertain in Colombia, an important trading partner of the United States. In spite of Colombia's satisfactory growth rate and greater receipts from coffee exports in 1964, the threat of inflation and balance of payments problems cause concern for the months ahead.

Details on the larger Latin American markets appear in the country summaries that follow.

Jamaica, Trinidad, Tobago

Possibilities for greater U.S. trade also exist in some of the smaller countries of the area. In Jamaica, the United States has replaced Great Britain as the major supplier. In the first nine months of 1964 U.S. exports to Jamaica amounted to $57 million, up 30% over the same period of 1963. Food items, consumer goods, raw materials and capital equipment are all marketable in Jamaica.

Trinidad and Tobago's imports from the United States rose from $11 million in 1953 to $58 million in 1963 and are expected to continue upward. Trinidad and Tobago also offer a good market for foodstuffs, raw materials, machinery, and consumer goods.

As a consumer-goods market, Jamaica and Trinidad stand out. This class of commodities is being subjected to more and more import restrictions in Latin American republics generally.

Ecuador's imports increased in 1964 and the U.S. exporter should find greater trade possibilities there in 1965. The business outlook in Paraguay is bright. Recent political developments in Bolivia make the future picture somewhat unclear, although high tin prices should have a favorable influence. Uruguay's level of economic activity was higher in 1964 than in the previous year.

U.S. exporters will continue to be faced with a wide range of impediments to selling in many countries of Latin America. The general trend is toward more severe import restrictions to save limited dollar resources and channel exchange expenditures into classes of goods believed to be essential.

Restrictive import measures to foster domestic enterprise are imposing increased barriers to traders. Import quotas, prior import deposits, import surcharges, high customs duties and forced payment delays are all part of the pattern.

Competition

In addition, extended payment terms, low interest rates, and low prices offered by European and Japanese exporters are obstacles being encountered by U.S. exporters to the area.

The Central American Common Market (CACM) and the Latin American Free Trade Association (LAFTA) are of growing importance in shifting historic trade patterns. To date, trade among the members of CACM has increased substantially, while the rise in intra-LAFTA trade has been more moderate. Favorable intra-regional tariff treatment and the absence of many restrictions on trade within LAFTA and CACM as compared with those on imports from other countries will continue to have their effects.

This setting points to the necessity for U.S. exporters to adapt their product lines and selling methods to current market conditions in the area.

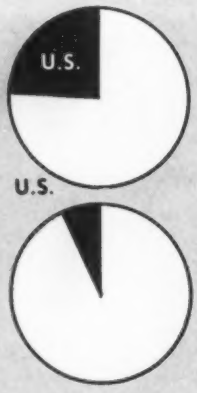
Machinery and equipment needed for industrial development and raw materials and components required for production are generally the types of products that offer the best opportunities. Competitive prices and credit terms tailored to the country's and to the importer's needs and capabilities will aid in making sales.

Careful attention to assure that products offered in the Latin American market meet local specifications and standards is equally important.

Argentina

Emergence from recession accompanied by stepped-up international commerce

By JAMES MICHAEL von STROEBEL
American Republics Division, BIC



Imports, Jan.-Aug. 1964

Total imports	$664 million
From U.S.	$157 million
U.S. share	24%

Exports, Jan.-Aug. 1964

Total exports	$971 million
To U.S.	$ 64 million
U.S. share	7%

Argentina's chief imports from U.S.:
Machinery, motor vehicles and parts, iron and steel, chemicals, plastic materials.

Chief exports to U.S.:
Canned meat, wool, casein, wire rods, iron, steel, tung oil.

Imports into Argentina rose considerably in recent months as the economy began recovering from the recession.

Machinery imports—of special interest to the United States—are expected to show modest improvement in 1965, although the 1964 figures remained well below 1963. Imports of raw materials, semi-manufactures and components should share in the anticipated increase this year.

Import trade is currently below the billion-dollar mark as a result not only of the 1962-63 recession but also of Government curbs on foreign-exchange expenditures. The recent upturn reflects demand for raw materials, restocking of depleted inventories, and a tendency to hedge against the possibility of more stringent import controls.

The most recent Government estimate looks to a 1964 gross national product 6.5% higher than the 1963 level.

Recovery, but caution

With the memory of the 1961 boom and 1962 bust, the business community has followed a cautious policy. Although the Government has promised a broad five-year economic development plan, reduction of the burdensome budget deficit and major victories over inflation, a large segment of the business community credits actual progress toward recovery more to good harvests than to positive economic policies. The attitude is one of wait and see.

U.S. share drops

U.S. exports to Argentina in the first eight months of 1964 amounted to $156.9 million or 23.6% of the market as compared with $171.9 million or 25.7% in the corresponding period of 1963. Most other suppliers remained in about the same position as last year, although Germany did lose some ground as France gained. Argentine exports to the United States also decreased, from $100.8 million or 11.2% to $63.7 million or 6.6%.

Argentina had a favorable trade balance of $384 million in 1963. The first 10 months of 1964 show exports of $1,171 million and imports of $857 million, for a balance of $314 million. Prospects for the immediate future seem to be for continued favorable annual balances attained through import curbs.

Imports in the first eight months of 1964 were just below the same period last year. Import requirements over a period for raw materials, semi-manufactured goods, and other items not available in the domestic market seem to be fairly well established. The big changes come in three categories: machinery, vehicles, and parts; iron and steel; and fuels. Chemicals and pharmaceuticals in 1963-64 pushed fuels out of third place, but fuels may come back if there are further reversals in the drive for self-sufficiency in petroleum.

The main variable has been machinery. This category showed imports in Jan.-Aug. 1964 of only $236.4 million, against $358.7 million for the same period of 1963 and $500.7 million for 1962.

Exports up

Because export returns still depend principally on livestock and agricultural products, prospects are strongly influenced by factors not within Argentina's control, such as weather conditions and world market prices. They also depend on official incentives and obstacles, including price supports, taxation, and exchange-rate policy.

The country has been favored by a series of favorable factors, including good grain crops, exceptionally high beef exports in 1963, unusually high world beef prices offsetting reduced export volume in 1964, and development of some non-traditional exports.

Data for the first eight months of 1964 indicate that exports generally are up. In the sharply expanding category are cereals, linseed and meat. Wool and other farm products are down, while non-traditional manufactured products remain about the same.

In April 1964, the Government removed the import prohibition on capital goods and equipment but required that such imports be subject to financing terms established by the Central Bank. The Bank did not set norms until late in the year and a de facto prohibition continued in effect, except for items imported under special investment plans. When the Bank in late November announced the minimum terms and schedule-of-payments conditions covering such imports, the burden was put on importers to seek foreign financing in graduated terms, depending upon total value of imports.

Terms vary from four semi-annual payments after a half-year grace period to 14 semi-annual payments after a two-year grace period. It is not clear how this will affect U.S. exporters.

In spite of the favorable trade balance, the over-all balance of payments again will be in deficit as a result of the adverse net movement of private capital and amortization of public foreign indebtedness.

Impact of inflation

Monetary expansion within Argentina has continued, and private means of payment increased by about 26% during the first 10 months of 1964. The Treasury cash deficit for fiscal 1963-64 was virtually double the previous year's, as income from general revenue sources covered less than 40% of expenditures. Inflation has not run its course.

The cost-of-living index based on a worker's family consumption pattern in Buenos Aires rose 3.9% in October, the highest monthly increment this year. The index increased 21.4% between October 1963 and October 1964. Many observers feel that inflation actually has been greater than this index indicates.

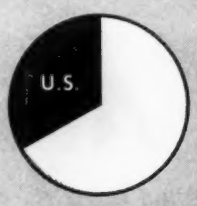
Brazil

Harmony between business, government grows as series of reforms is pushed

By GERTRUDE HEARE
American Republics Division, BIC

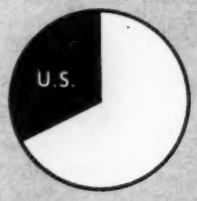
U.S. exports to Brazil increased in the latter part of 1964 and prospects are for further growth in 1965.

Business confidence to a large degree has been restored by steps toward economic stabilization, development and reform since the inauguration of President Castello Branco in mid-April 1964. These moves have secured the cooperation of the United States, other OECD countries, and international agencies and private entities in rescheduling Brazil's international debt and granting new credits. Foreign-investment interest in Brazil has been strengthened by the improved climate.



Imports, Jan.-Sept. 1964

Total imports	$936 million
From U.S.	$311 million
U.S. share	33%



Exports, Jan.-Sept. 1964

Total exports	$1,012 million
To U.S.	$ 320 million
U.S. share	32%

Brazil's chief imports from U.S.:
Wheat, machinery, aircraft and parts, chemicals, petroleum products.

Chief exports to U.S.:
Coffee, manganese, iron ore, sisal, castor oil.

The Brazilian Economic Action Plan presented to the Inter-American Committee on the Alliance for Progress (CIAP) aims to bring the growth in gross national product up to a 6% annual rate in 1965 and 1966 and to 7% thereafter. The growth rate, averaging 7% annually in 1957-61, dropped to 3½% in 1962 and to only 2% in 1963. Some of the adverse factors of 1962-63 carried over into 1964, including political uncertainties, rampant inflation and a sharp reduction in foreign investment. Unfavorable weather conditions affected crops and electrical power production early in the year.

Brazil since April 1964 has taken major steps toward establishing a firm economic base. The budgetary deficit has been reduced, both by cutting expenditures and increasing taxes. Congress has approved legislation for basic agrarian reform and measures have been taken to improve farm output and productivity.

Innovations

Other steps include establishment of a national housing bank, creation of new institutions providing credit to agriculture and small and medium industry, legislation to modernize the banking system and create a central bank, actions to diversify the country's export earnings and encourage productive foreign investment.

The cumulative effect of Government financial measures has been a tightening of bank credit, severely straining the resources of Brazilian businessmen. However, industrial production and business activity gained toward the end of 1964.

U.S. sales to Brazil, except for wheat and fuel, continue to be limited almost entirely to capital equipment, industrial raw materials and highly specialized classifications. Importation into Brazil of consumer and light industrial goods is curbed by tariff and exchange controls.

Principal exports from the United States to Brazil are wheat, machinery, chemicals and related products, aircraft and parts, petroleum products, and coal and coke. Important in the machinery group are electrical machinery, apparatus, and appliances; machines for special industries; agricutural machinery and implements; and power-generating machinery other than electric.

Also significant are iron and steel; nonferrous metals; metal products; books; and scientific, medical, optical, measuring and controlling instruments.

Near the top

Brazil is the third largest market in Latin America for U.S. exports. U.S. shipments to Brazil of $316 million in Jan.-Oct. 1964 were down only slightly from Jan.-Oct. 1963.

Brazil also is third among Latin American countries as a supplier of imports into the United States. In Jan.-Oct. 1964, these totaled $404 million in value, compared with $432 million in the like period of 1963. Lagging coffee exports from Brazil account for the reduced 1964 trade. Coffee represented 64.6% of the value of U.S. imports from Brazil in 1963 and 74.4% in Jan.-Aug. 1964.

U.S. share

Brazil's imports from all sources in Jan.-Sept. 1964 totaled $936 million, down 14% from $1,083 million in 1963. The U.S. share rose slightly (to 33%) in the first three quarters of 1964.

Jan.-Sept. exports from Brazil totaled $1,012 million in 1964 and $978 million in 1963, reflecting higher coffee prices even though the quantity exported was reduced. The January-September 1964 trade balance was $76 million as against a negative $105 million in 1963. Coffee represented 54% of the total value of exports.

Foreign investment

Government measures to foster productive foreign investment include modification of restrictive features of the 1962 foreign investment law, a decree encouraging private participation in development of iron ore deposits, and purchase by the Government-owned power entity of the American and Foreign Power properties in Brazil. Negotiations are under way for an investment guaranty pact with the United States.

On the anti-inflation front, data for the first 10 months of 1964 indicate a rise in the cost of living at an annual rate of 82%, but the rise after April 1 was at an annual rate of 64%. The Government aims to decrease the annual rate to 25% in 1965 and to 10% before the end of 1966.

AID loan

An Agency for International Development loan to Brazil of $150 million to finance essential imports from the United States was announced on Dec. 14. Funds are to be released periodically as Brazil's stabilization program moves forward. Shipments to Brazil of wheat and other agricultural commodities under Public Law 480 authorizations are expected to amount to about $115 million in 1965.

Brazil also anticipates in 1965 at least $450 million in capital from abroad and from current and new programs of international financial institutions.

Central America

Import boom will continue as long as prices for basic export crops stay high

By THOMAS K. BREWER
and FREDERICK J. TOWER
American Republics Division, BIC

The dollar value of U.S. exports to the Central American Common Market (CACM) countries increased substantially during the first nine months of 1964 —$232.9 million compared with $195.8 million for the same period of 1963, and is expected to continue in 1965.

Despite this dramatic increase in sales, early reports from Costa Rica for January-June 1964 show a small percentage loss in the U.S. market share, while the U.S. share in El Salvador during the same period remained near the 1963 level. The U.S. share of the market for the five countries was 44.7% in 1963, compared to 46.1% in 1962, and may drop further.

The surge of imports—apparent now for many months—will probably continue as long as the prices of basic export crops such as coffee, cotton and bananas remain steady. Imports have risen more sharply than exports and in certain cases there have been trade and balance-of-payment deficits.

Principal imports are machinery, transportation equipment, chemicals, food products, petroleum, specialty fuels, and lubricants. The United States supplies a large share of these, except for crude petroleum and food products.

The rapidly developing Common Market is attracting large U.S. and other foreign investment. Ranging from oil refineries to assembly of household appliances, foreign companies are demonstrating their confidence by licensing, investing and entering into joint ventures.

Costa Rica—Domestic trends are mixed in Costa Rica, but the 1965 outlook for U.S. exporters is hopeful. Despite the continued ashfall from Irazu volcano which affects the populous Central Plateau, there is cautious optimism among businessmen. The dramatic percentage increase in industrial exports, largely due to the newly important Central American Common Market, is expected to continue, and investment plans for 1965 are encouraging.

Government finances are causing concern. With the budget gap approaching $15 million, coffee earnings, which are the major source of foreign exchange, are somewhat of a question for 1965.

During the first half of 1964, Costa Rican imports from the United States were $29.2 million, or 46.3% of the total. This is a decline from the 48% share in the first half of 1963, but dollar value was up by $1.2 million.

El Salvador—Buoyant economic conditions during 1964 will probably be followed by another record year in 1965. Coffee prices were favorable during 1964, the cotton crop was marketed satisfactorily and new exports to other Central American Common Market countries were growing. Both industrial growth and new investment, already high in 1964, should continue into the new year. Construction activity should also remain high.

Brisk commercial activity continued during the Christmas buying season but many businessmen were forced to absorb a rise in customs duties on luxury and semi-luxury goods. Additionally, the higher cost for most CACM-made goods now coming on the market is cutting profits, as these costs cannot always be passed along to the consumer.

The United States supplied 36% of Salvadoran imports during the first half of the year, about the same percent as during 1963.

Guatemala—The Guatemalan economic boom is now in its seventh quarter. Exports in 1964 are expected to exceed those of any previous year, and imports have risen even more sharply. Continued high levels of imports are likely.

According to final trade figures for 1963, Guatemala's $2.3 million trade deficit was the lowest in recent years. The United States supplied $76.4 million, or 51% of Guatemala's total imports of $150.3 million, and purchased 45% of the total exports of $147.9 million.

Demand for credit from all sectors continues strong, and commercial bank loans, money supply, and other indicators of business activity are all running 10 to 15% higher than last year.

The growing role of the CACM is shown in recently released trade figures revealing that 8.6% of Guatemala's total imports and nearly 11% of its exports were within the area during 1963.

Honduras—Large orders placed in anticipation of a good Christmas season forecast a continuation of commercial activity at normal or higher levels during 1965. The fast-paced industrial and commercial expansion in the north coast city of San Pedro Sula produced a construction boom, although public investment has fallen off sharply with the completion of most major projects.

In 1965, new public investment in the Northern Highway, new investment in private and cooperative housing, and the operations of the recently formed private development bank in San Pedro Sula should stimulate the economy.

Exports for the first half of 1964 were $56.3 million, up 16.5% over the same period of 1963, and imports were $48 million, up 11.8%. Capital equipment imports were considerably higher than during 1963, and are expected to rise again during 1965, as textile machinery and other equipment is purchased.

Nicaragua—Nicaragua's economy continues to ride the crest of favorable world market prices for its principal exports, cotton and coffee, and there is optimism about the future. GNP for 1964 was estimated to be running 5 to 7% above that for record 1963.

Imports through the first quarter of the year were valued at $27.9 million, of which the U.S. share was 43.2%, or $12 million. This is an increase of $1.5 million in dollar value, but a 2.5% decline in the total market share.

The biggest gain was registered in imports from CACM countries, who were treated as a group for the first time, and constituted the second largest supplier with 9.7% of Nicaragua's purchases.

U.S. and local businessmen continued to take advantage of the favorable investment climate, and new industry is expected to favor Nicaragua as a site to supply growing regional markets.

Panama—The Dec. 18 announcement by President Johnson that a new interocean canal was under active consideration brought expressions of pleasure from business leaders in Panama and expectation of a bright business climate.

Key to the business climate was the Jan. 9 anniversary of last year's riots. Since this passed without significant incident, the present climate of optimism about Panama's economic outlook is expected to continue and result in increased local buying, both by consumers and for inventory, and intensified investment in industrial and commercial enterprises.

A serious demonstration on the anniversary of last year's riots would probably have caused a retrenchment by business in the Republic, and forced foreign investors to reassess their plans.

Chile

Imports may show decline from 1964 level; business more confident following election

By RICHARD M. KENNEDY
American Republics Division, BIC

Chilean imports in 1965 may decline somewhat from the level projected for last year. The greatest reduction will come in less essential goods and those for which domestic substitutes are available.

The U.S. percentage of the Chilean market appears to have leveled off after declining steadily through 1963. The share will probably remain stable or perhaps improve slightly.

Some improvement in payments delays for U.S. suppliers is expected, together with a gradual shift of transactions from the future to the spot bankers' exchange market, but a reduction in the legal minimum waiting period of 120 days is not likely. The improved prospects for increased foreign investment may bring more capital equipment imports by the year's end.

Imports, Jan.-June 1964

Total imports	$277 million
From U.S.	$103 million
U.S. share	37%

Exports, Jan.-June 1964

Total exports	$283 million
To U.S.	$ 98 million
U.S. share	35%

Chile's chief imports from U.S.:
Machinery, motor vehicles and parts, wheat, manufactured fertilizers, chemicals.

Chief exports to U.S.:
Copper, iron ore, nitrogenous fertilizer, grapes.

Seek reforms

The new administration of President Eduardo Frei is expected to intensify Chilean efforts to conserve and rationalize the use of scarce foreign exchange resources as part of a comprehensive program aimed at bringing inflation under control, stimulating domestic production, and executing widespread social and political reforms.

The recently announced agreements between the Chilean Government and the U.S. copper companies there—if successfully implemented by the Chilean Congress—should make Chile more attractive to foreign investors and increase the effective demand for capital goods and certain types of raw materials.

The increase in the U.S. assistance program for Chile will be a major factor in helping U.S. suppliers to maintain or increase their share of the Chilean market. The expected successful renegotiation of Chile's debt to international institutions and other foreign suppliers should help ease Chile's debt payment situation.

Despite uncertainties connected with the 1964 Chilean presidential election, the rapid rate of inflation and tight credit, gross domestic product in 1964 may have increased as much as 4% above that of 1963, when it reached 6,061 million escudos at 1961 market prices ($1=1.05 escudos, 1961).

A surge of renewed business confidence followed the election of President Frei. One example was the rapid oversubscription of applications for business expansion loans under a $15-million Export-Import Bank credit to the Chilean Central Bank. Businessmen had shown little interest in expanding before the election.

A further boost to confidence was provided by Chile's announcement of agreements with the Anaconda, Cerro, and Kennecott copper companies which will result in investments of about $420 million over the next five years. The smallest of these projects—Cerro's development of its Rio Blanco property—is itself expected to result in purchases of goods and services in the United States totaling $31 million.

Chile to battle inflation

How the business community will react to sacrifices asked of it by the Government in support of economic and social reform is uncertain. The Finance Minister recently said in order to retard inflation, price increases for non-agricultural products would be held to 19%, and profits limited to an increase of 10% except for those resulting from increased production.

The Government expects to gain the business community's support by demonstrating that its program will produce an expanded stable domestic market through the slowing and eventual halting of inflation. The Government has stated that bringing inflation under control—limiting the increase in the cost of living to 25% in 1965, and 15% and 10% in the two subsequent years—is inseparable from its other high priority economic and social objectives.

The most promising sales categories for U.S. products in Chile include those which Chile does not produce yet requires for development of her agriculture, forestry, fishing, construction, transportation, metalworking, and chemical industries. They include agricultural machinery, fertilizers, breeding animals, special industrial machinery, special purpose transport equipment and automotive parts, fuel oils and lubricants, non-electric power machinery, electrical machinery and apparatus, chemical raw materials and pharmaceuticals.

The U.S. share of the Chilean market appears to have become stabilized after declining steadily from 1959 through 1963. Principal U.S. exports to Chile through September 1964 were (in millions of dollars):

Non-electric machinery, $39; electrical machinery, $10; transportation equipment, $13; chemicals, including fertilizers, $16; fuel oils and lubricants, $4; manufactured goods, $20; crude materials, $4; and wheat, $7.

The trend

The trend toward import substitution is expected to accelerate during the Frei administration. Considerable success has already been achieved in the iron and steel and petroleum products fields, and plans are underway for development of a petro-chemical industry. Products not now produced enough in Chile, which the Government believes will benefit from moderately increased investment in the near future, include:

Special steels, steel cable, leaf springs for vehicles and railroad cars, sewing machines, machine tools, agricultural equipment, phosphate fertilizer, beet sugar and forged tools. Such investment is expected to bear fruit in export sales for motor vehicle parts, tractors, light trucks, cellulose and paper plants, electronic products, and canned and preserved foods.

Colombia

Economic pattern mixed at end of year; threat of more inflation still present

By HERBERT A. LINDOW
American Republics Division, BIC

Imports, Jan.-Aug. 1964

Total imports	$396 million
From U.S.	$199 million
U.S. share	50%

Exports, Jan.-Aug. 1964

Total exports	$264 million
To U.S.	$123 million
U.S. share	47%

Colombia's chief imports from U.S.:
Machinery, motor vehicles and parts, wheat, chemicals, fertilizers, iron and steel.

Chief exports to U.S.:
Coffee, petroleum, unmanufactured tobacco, platinum.

A mixed economic pattern prevailed in Colombia at the close of 1964, and it appeared uncertain whether imports from the United States will stay at the same high levels reached last year. A moderate decline is possible.

Favorable factors in the economy last year include the following. Coffee exports were well above the 1963 levels and exchange receipts from coffee exports increased by an estimated $70-80 million.

The gross national product registered an estimated growth rate of 4% in real terms; the manufacturing and petroleum industries probably had a considerably higher growth rate.

Inflation, which resulted in a cost-of-living increase of about 35% in 1963, was brought under better control in 1964; the increase was limited to about 11%, mainly due to a good harvest.

Despite these favorable factors, the threat of a resumption of inflation continued to hang over the economy. The 1965 Government budget appears likely to be in substantial deficit. To examine the budget, the Congress may be convened for a special session in mid-January at which time the President will present a series of measures designed to raise additional revenues.

Another problem facing the Government is the country's exchange rates. In spite of rumors of a devaluation, the certificate rate was maintained at 9 pesos per dollar in December, while the free rate settled between 12.80 and 13 pesos per dollar. Also in December, Colombia became eligible for disbursements of $35 million of a $45-million AID loan signed last July.

New tariff schedule

The Colombian Government announced last month that a new tariff schedule would go into effect at the beginning of January. No details of the new schedule are available, but it probably will adhere closely to the Brussels nomenclature and will provide less protection than previously to inefficient domestic industries.

Despite economic problems, 1964 was a year of substantial growth in imports. Overall imports as well as imports from the United States were considerably higher than the 1963 levels. Preliminary estimates indicate total imports were valued at about $597 million c.i.f., the highest since 1956. Imports from the United States amounted to an estimated 50% of this total, or close to $300 million.

Official Colombian statistics for the first eight months of 1964 show imports totaling $396,182,000, with $199,429,000 representing the value of imports from the United States. In broad categories, imports from the United States consisted mainly of machinery, road motor vehicles and parts, wheat (under the P.L. 480 program), chemicals, manufactured fertilizers, and iron and steel products.

Export opportunities

The Minister of Finance announced in early December that Colombia's budget for import payments would amount to $450 million in 1965. This does not include a small volume of imports paid for with free exchange, imports under international loans, and capital goods imported as investment capital.

According to the Minister, imports this year will be mainly in the form of industrial raw materials for established industries, replacement parts, capital goods, and tools vitally needed for production. Imports of consumer goods will be drastically curtailed, especially in view of recent restrictions on imports from the Free Port of San Andres.

Although Colombia's import controls are stringent, exporters of certain types of goods have good opportunities to sell successfully in Colombia if they offer competitive prices, flexible credit terms, and work through aggressive agents.

Goods that appear to have the best sales possibilities in 1965 include petrochemical apparatus, oil and gas pipes, automotive vehicles, parts and components, many types of chemicals (including fertilizers), airplanes, railroad equipment, port installations, oil drilling equipment, tractors, a variety of machinery used in manufacturing, copper wire, woodpulp and newsprint, disinfectants and insecticides, tallow, iron and steel sheets, tinplate, medical and optical equipment and books.

Considerable attention has been focused recently on developments in the petrochemical and petroleum industries. Empresa Colombiana de Petroleos (ECOPETROL), the Government oil company, announced in November a five-year development program calling for capital investments of about $140 million.

Projects under consideration include the construction of two new oil refineries, one near Bogotá, the other at Neiva, south of Bogotá; the construction of a maritime terminal at Cartagena; a $4-million paraffin plant; a joint venture with Dow Chemical to establish a $10-million polyethylene plant; petrochemical plants for synthetic fiber production; and pipeline network improvements and enlargements.

Power development is continuing at a rapid pace. The Instituto de Aprovechamiento de Aguas y Fomento Electrico received a $17.5-million loan from the Eximbank to expand five power plants. Procurement under this loan should be underway in early 1965 and will include generating equipment, transmission lines, and controls. Several "package" gas turbines also will be installed.

In addition, the Inter-American Development Bank (IDB) loaned $8 million to Electroaguas for construction of an earthen dam, a hydroelectric plant, and transmission lines (the Rio Prado project).

Dominican Republic

Regime seeking long-term development, greater domestic, foreign investment

By ALFRED ORTIZ
American Republics Division, BIC

U.S. exports to the Dominican Republic

January-September 1964	$84 million
January-September 1963	$69 million
Increase	22%

U.S. imports from the Dominican Republic

January-September 1964	$90 million
January-September 1963	$110 million
Decrease	18%

Chief U.S. exports:
Grains, fats, oils, pharmaceuticals, cotton fabrics, metal products, machinery, vehicles and parts.

Chief U.S. imports:
Sugar, coffee, cocoa beans, bauxite, cocoa butter.

Source: U.S. Bureau of the Census.

Economic indicators in the Dominican Republic point to more favorable business conditions as a result of external financial assistance and the stabilization program aimed at improving the country's balance of payments.

The Government's belt-tightening program means that prospects are better for U.S. investors than for U.S. exporters.

The sharp drop in the world price of sugar was primarily responsible for the country's 1964 financial straits, necessitating measures to conserve foreign exchange.

The international sugar price fell to $.0258 per pound and is still falling after having reached $0.12 per pound in November 1963. High sugar prices in 1962 and 1963 brought about a substantial increase in Dominican export earnings.

Over-importing

Imports from the United States more than doubled in 1962 to $61.5 million, and in 1963 reached $91.4 million, increasing the U.S. share. For the first nine months of 1964, U.S. exports to the Republic amounted to $83.7 million, up 22% from the same period of 1963.

The downward trend in sugar prices in 1964, coupled with the rise in imports, soon exhausted available foreign exchange, creating a serious import payments problem. Commercial arrears amounted to $60 million by Aug. 1, 1964.

Austerity measures early in 1964 were designed to stem the flow of imports. On Aug. 1, the President of the governing Triumvirate announced a major program to achieve economic equilibrium with rapid economic growth.

On the one hand, demand for imports would be restrained by higher taxes on them, and inflationary pressures would be limited by higher domestic taxes and other measures to reduce deficits of the Government and Social Security Agency.

On the other hand, the Government would make an intensive effort, especially in agriculture, to increase production, reduce imports of foodstuffs estimated at over $40 million a year and increase export earnings.

The internal consumption tax on most imported items was increased by an additional 15% ad valorem. Taxes on beer, rum, liquor and cigarettes were increased sharply. Employers' contributions to the social security fund were increased from 5 to 7% of wages; workers' contributions are scheduled to be increased in 1965. A head tax of 30 pesos ($30) was placed on all residents leaving the country. Fewer small businessmen have been traveling to Puerto Rico and other nearby islands to bring back items for their retail outlets.

Current payments system

Another part of the program is aimed at re-establishing the country's international credit standing. Not since 1960 have exporters received prompt payment. In order to clear the backlog of commercial arrears, several large foreign loans were arranged. The International Monetary Fund agreed to a $25 million stand-by program effective Aug 1, 1964.

Five-year loans were arranged with five foreign commercial banks for a total of $30 million. The U.S. Treasury made available a $6.25 million credit and the Agency for International Development made a $4 million loan.

By the end of October, the Central Bank of the Dominican Republic was making foreign exchange available for import payments, as soon as Dominican importers deposited pesos.

With the re-establishment of international credit standing it was anticipated that suppliers would begin again to sell to Dominican importers on credit. To avoid a large inflow of such credit purchases, which the country could not afford, the Government imposed a deposit requirement of 40% of the free-on-board value of most imports effective Nov. 5, 1964. The deposit is placed in a sterilized account with the Central Bank for six months. This has resulted in a general tightening of credit, placing more pressure on importers.

Imports down

Dominican imports continued to rise through September 1964 primarily because the restrictions had not yet taken full effect. By the end of the year, imports were off—a slow-down noted by U.S. exporters. This situation may continue throughout most of 1965.

Food items, most of which have been exempted from the new taxes, are expected to continue to lead, followed by medicinal preparations, metal manufactures, machinery, and motor vehicles, but even these will be kept to a minimum.

To encourage further foreign investments in the Republic, the Government recently modified the Industry Incentive Law, reducing from 50 to 35% the minimum capital share required to be available to Dominican investors in joint enterprises eligible for benefits. It also reduced from two years to six months the time in which such enterprises are required to offer this capital subscription.

In support of the country's development program, additional financial assistance has been extended to the Dominican Republic. Loans have been granted to assist the road-improvement program, increase hydroelectric power production, aid in the maintenance of irrigation systems, expand electric-power output and increase agricultural production. Increased funds are also being made available under the U.S. Public Law 480 (Food for Peace) program.

Mexico

Foreign trade should stay at high level; presidential transition occurs smoothly

By KATHERINE E. RICE
American Republics Division, BIC

Imports, Jan.-Sept. 1964

Total imports	$1,098 million
From U.S.	$ 746 million
U.S. share	68%

Exports,* Jan.-Sept. 1964

Total exports	$651 million
To U.S.	$455 million
U.S. share	70%

Mexico's chief imports from U.S.:

Machinery, motor vehicles and parts, chemicals, metal manufactures, iron and steel, scrap.

Chief exports to U.S.:

Sugar, coffee, shrimp, fresh tomatoes, cordage and rope.

* Unadjusted data.

Mexico's foreign trade, estimated at a record high in 1964, should continue at the same level in 1965.

Statistics on foreign trade for the first eight months of 1964 show an increase of 20% in imports and 12% in exports over comparable months of 1963.

The high level of imports is attributed generally to the increased rate of economic growth in 1964, stimulated in turn by larger investments in the stepped-up programs of industrialization and public works.

It apparently was aided also by some relaxation in the application of import controls, although expansion of the import control system continued. Industrial installation imports reportedly increased by 33.1% in the January-August period, after being stable during the two preceding years.

Increased demand in the domestic market caused Mexico's exports of iron and steel sheet and pipe to decline in 1964. Cotton exports also dropped because of curtailed production. Unusual demands from abroad and abundant domestic crops resulted in large sales of sugar, coffee and wheat, a situation not likely to be repeated often.

GNP increases

The country's economic development continued to exceed the rate of population growth; 1963 GNP totaled $6.8 billion (in 1950 prices), or a 6.3% increase. A 7% increase was forecast for 1964.

With foreign exchange reserves at a peak, a favorable international balance of payments, trade and tourism high, and business and industry booming, confidence in Mexico's politically and financially stable economy was high at the year's end.

The transition of presidential power apparently occurred with a minimum of upset, and without the economic letdown characteristic of former election years.

Products needed

Product categories which seem to offer the best opportunities for U.S. exporters include industrial machinery and apparatus, agricultural, communications, and railway equipment, petroleum products, iron and steel, scrap iron, chemicals, rubber, and numerous essential raw and semi-finished materials.

The value of U.S. exports to Mexico, according to Mexican trade data, rose to a record $746 million in the first nine months of 1964 and represented 68% of Mexico's total imports (69% in the same months of 1963). Mexico's total imports in this period were $1,098 million.

Mexico continued to be the United States' best customer in Latin America and ranked fifth in U.S. trade with the world. Mexico's unadjusted export figures totaled $651 million (adjusted figures were about $757 million), of which exports to the United States were $455 million, representing 69.8% of Mexico's total exports.

Unusually larger imports of automotive vehicles for assembly, and construction and industrial machinery, were made in the first nine months of 1964, compared with the same period of 1963, apparently in anticipation of domestic manufacture of these products.

Tariff, trade regulations

Mexico adapted its import tariff schedule to the Brussels nomenclature near the end of 1964, apparently with no major changes in import duty rates.

Under a December ruling, diesel motors of all types and construction equipment not produced in Mexico may be imported only by firms which declare intention to produce up to 60% of the value of these products within two years.

Thus, there should be an increase in imports of machinery for manufacturing such products, accompanied by a gradual decline in imports of the items themselves during the transition period.

Private sector investments in Mexico in 1964 were expected to exceed those of 1963 by 10%, an encouraging factor indicating the private sector's confidence in investing at home instead of abroad. In 1963, banking credits for industry totaled $512 million, and Nacional Financiera (Government investment bank) granted credits of $240 million.

An indicator of Mexico's favorable ranking among international financiers is the fact that in 1964 the Inter-American Development Bank (which continually evaluates investment climates in Latin America) gave Mexico more credit ($112 million) than any other Latin nation. According to U.S. data, U.S. direct private investments in Mexico at the end of 1963 totaled $907 million.

More spending

Ordinary receipts of the Federal Government for the first six months of 1964 exceeded collections in the same period of 1963 by 16%. However, current expenditures were 28% higher than during the same period of 1963; funds available for financing capital operations of the Government declined to $80 million in January-June 1964 from $120 million in January-June 1963.

Foreign credits (public and private) extended to Mexico in the first nine months of 1964 amounted to about $116 million. Mexico's debt service, including interest, is expected to average about $200 million annually.

Mexico's economic development was greatly strengthened and stimulated during the past administration. With economic activity at a high level, the development of Mexico's economy should continue to move forward under the new administration despite some anticipated moderate slackening in public investment during the first few months of 1965.

Peru

Accelerated development program points up need for capital goods, investment projects

By H. A. LINDOW
American Republics Division, BIC

Imports, Jan.-Aug. 1964

Total imports	$384 million
From U.S.	$157 million
U.S. share	41%

Exports, Jan.-May 1964

Total exports	$257 million
To U.S.	$ 70 million
U.S. share	27%

Peru's chief imports from U.S.:
Machinery, motor vehicles, chemicals, wheat, metal manufactures.

Chief exports to U.S.:
Copper, fishmeal, coffee, sugar, lead, zinc.

The outlook for trade with Peru in 1965 is favorable, with U.S. exports likely to maintain their current rate and, possibly, increase moderately over the 1964 level.

Underlying this outlook are a high economic growth rate, booming Peruvian exports, a strong exchange reserve position, absence of quantitative trade restrictions, and a strong demand for capital goods generated by an accelerated development program.

In 1964 the Peruvian gross national product registered another good increase, an estimated 5 to 6%, the same rate as in the two preceding years. Per capita annual income is estimated to have increased more rapidly than the population growth rate of 2.3%, although it is still relatively low at $200-plus.

Booming exports were one of the brightest spots in the Peruvian economy in 1964 and contributed to a substantial balance-of-trade surplus. Exports climbed to an estimated record of $640 million, up about $100 million from the 1963 level. This expansion occurred primarily because of higher exports of fishmeal and strong international prices for copper, lead, and zinc.

Imports rise also

While exports were up sharply, imports increased at a more modest rate. Overall Peruvian imports amounted to $383.5 million for the first eight months of 1964, an increase of about 3% over the comparable period in 1963.

Peru's imports from the United States reached $157.2 million, compared with $135.8 million during the first eight months of 1963.

The U.S. share of the Peruvian import market increased from 36.6% in 1963 to 40.9% of total imports in the 1964 period.

Higher wheat shipments from the United States under the PL-480 program contributed substantially to the rise in imports from the U.S.

In view of the sharp increase in exports and the modest rise in imports, Peru's trade balance is expected to register a surplus of about $70-$80 million in 1964. Net exchange reserves amounted to $135 million at the end of October 1964. The selling rate for the U.S. dollar remained notably stable.

U.S. exporters should be able to take advantage in 1965 of the generally favorable economic conditions.

Specific categories of goods believed to have the best sales prospects include agricultural equipment and implements; insecticides; automatic vending machines; steam boilers and centrifugal pumps; diesel engines; edible fats and oils; nitrogenous fertilizers; industrial chemicals; industrial and mining equipment and spare parts; lubricating oils; greases; medical, hospital, and laboratory equipment; newsprint and woodpulp; road-building and construction equipment; passenger cars and automotive parts; typewriters; calculators; refrigerators; electric motors; turbines; generators; elevators; radios and phonographs.

Attractive prices and liberal credit terms are the two most important factors to selling in Peru. Peruvian importers have a reputation for prompt payment and it appears reasonable to assume that Peru's credit rating will continue at its present high standing during 1965.

Although Peru raised its tariffs in 1964 to increase government revenues and protecting domestic industries, the country has continued to follow trade policies which are relatively free from trade restrictions.

Freedom of trade

Freedom from exchange restrictions, quantitative import controls, and import licenses—exceptions cover about a dozen items—results in a minimum of trade difficulties involving imported goods.

Consumer goods imports are regulated by the level of duty rates. High duties on items considered by the Peruvian Government as non-essential practically prohibit their importation. On the other hand, machinery for agriculture and mining and industrial enterprises may be imported at very low rates or duty-free.

Considerable attention was focused in 1964 on Peru's development needs by the Government, international lending agencies, and foreign investors.

This economic assistance is being used to finance development projects.

Investments planned

Also indicative of the current development effort is the Government investment for capital projects which increased in 1964. A further substantial increase appears likely for 1965.

New investments are planned in the thriving mining industry. A U.S. engineering firm is carrying out, for the Mining Bank, a feasibility and engineering study for a proposed electrolytic plant. Cerro de Pasco Corp. has projects underway in Central Peru, requiring an investment of $9 million, including the construction of a 750-ton-a-day flotation mill at Yaricocha.

The corporation's Oroya zinc plant is also scheduled to have its capacity increased to 220 tons of slab zinc per day. Other plans call for the installation of a pilot plant to extract zinc and other minerals.

Minera Bayovar, S. A., formed by the Midespa, Ltd., and Texada Mines of Canada continued to negotiate a contract with the Government for the development of the Sechura phosphate deposits. Construction on the project may begin in early 1965.

In the field of petroleum, the Government-owned Empresa Petrolera Fiscal reportedly has awarded a contract worth $10.5 million to the Kellogg International Corp. for the construction of an oil refinery at La Pampilla, 10 miles north of Lima.

Venezuela

Imports at highest rate in recent years; more sophisticated goods to be bought

By LOUIS J. MURPHY
American Republics Division, BIC

Imports, Jan.-May 1964

Total imports	$378 million
From U.S.	$205 million
U.S. share	54%

Exports, Jan.-Feb. 1964

Total exports	$469 million
To U.S.	$172 million
U.S. share	37%

Venezuela's chief imports from U.S.:
Machinery, motor vehicles and parts, metal manufactures, textiles and made-up articles, wheat.

Chief exports to U.S.:
Residual fuel oils, iron ore, coffee, cocoa beans, shrimp.

Venezuelan imports, led by a 21% increase in imports from the United States, are growing at their highest rate in recent years.

Buoyed by a strong foreign exchange and domestic economic situation and paced by the burgeoning needs of a rapidly growing industrial base, the trade outlook is for a considerable increase in the more sophisticated type of import commodities.

A continued, but more moderate, growth in U.S. total exports to Venezuela is expected. Venezuelan import figures for the January-May 1964 period show U.S. exports comprising more than 55% of total Venezuelan imports, a preliminary increase over the 53% of the preceding year.

U.S. exports to Venezuela for the first three quarters of 1964 totaled $436.2 million, up from the $360.3 million of the comparable period in 1963. In overall tonnage, total Venezuelan imports for the first nine months of 1964 reached 1.8 million metric tons, while the total for all of 1964 was 1.9 million metric tons.

Contributing factors

Among the factors affecting this favorable trade outlook are the following:

The nation is operating at one of the highest levels of economic activity in recent years. While the gross national product increased just over 4% in 1963, present projections envision a significantly higher growth rate in the year just ended.

Venezuela's capacity to import is growing apace of her need of foreign goods. Foreign exchange reserves remained the highest in Latin America, $765 million in September 1964. Furthermore, it is estimated that the nation will add $100 million to her foreign exchange reserves in 1964.

Production figures for the first half of 1964 show a growth of 20% in total industrial production, with construction activity at its highest level in four years and exhibiting no signs of leveling off. Retail sales of consumer goods remained high, and petroleum production for 1964 is expected to register a 4% increase.

The latter growth is especially meaningful since the rise in petroleum output fulfills the goal established by the development plan and assures the funding of the public sector's portion of Venezuelan development.

To finance the large public investment outlays necessitated by Venezuela's steadily-progressing drive for development, Congress recently approved a 1965 budget of 7.26 billion bolivares (4.5 bolivares = $1). This record budget, some 74 million bolivares higher than the 1964 outlay, aims at a higher level of expenditures, providing balanced emphasis on economic and socially-oriented development programs.

Despite the increased level of public expenditures, all indicators point to a large 1964 surplus of government revenues over expenditures. As in the previous two years, the Federal Government is running a substantial fiscal surplus, amounting to 675 million bolivares for the first three quarters of 1964.

Business confidence up

Business confidence increased considerably during the past year. In 1964 a trend toward greater political stability and the greatly improved economic situation engendered renewed optimism on the part of the business sector.

A reduction in urban terrorist activities, the orderly inaugauration of President Leoni, and his selection of a "broad-base" coalition cabinet all served to encourage this favorable atmosphere.

Upon taking office the new President gave assurances that existing moderate policies would be continued and that the government would not compete or interfere with private enterprise except in fields reserved for the state. Foreign investment, it was emphasized, would continue to be encouraged and accorded the same guarantees as domestic investors.

The market for U.S. exports to Venezuela is growing. However, a closer scrutiny of individual commodity categories will underscore the changing Venezuelan import pattern. Major U.S. exports to Venezuela in the first nine months of 1964 included:

Non-electric machinery in general ($105.1 million), with major components industrial machinery ($87.8 million) and power-generating machinery ($11.4 million); transport equipment ($60.7 million), including road motor vehicles ($55.6 million), partly composed of new automobiles ($15.5 million), new trucks and busses ($17.7 million), auto parts and accessories ($18.6 million); chemical materials and products ($15 million); electrical machinery and appliances ($35.7 million); metals and manufactures ($36.5 million); and medical, scientific, and control instruments ($4.4 million).

When compared with the pattern of previous years this list indicates that Venezuelan import demand has increased for raw materials and capital goods, but diminished for light manufactures and consumer products.

The U.S. Department of Commerce is currently staging a U.S. mobile trade fair exhibit of industrial products at the Jan. 31-Feb. 21 Caracas Fair.

In an important move, Venezuela and Colombia, in June 1964, signed an agreement for the economic integration and development of their common border areas. Plans include industrialization of the central sector of this zone and establishment of a joint market in the region.

Venezuela also is interested in possibly joining the Latin American Free Trade Association (LAFTA), but has reached no decision on this.

Europe still on way up

Pace of expansion slackens a bit as signs point to continued progress

By WALTER BUCHDAHL
European Division, BIC

In the second half of 1964 the countries of Western Europe took a breathing spell from the almost feverish expansion of their economies which had occurred during the first half of the year.

Many economic indicators—while still presaging further growth—are leveling off. Inflation, though a danger to be combatted, appears less threatening than earlier in the year.

The outlook for 1965 is for orderly economic expansion at a rate somewhat slower than in recent years. Thus the market outlook for U.S. goods remains bright, although European competition will put up a stiffer fight.

Industrial production increased in 1964 less spectacularly than in the previous year, with some smaller countries making greater gains than larger neighbors.

In Austria, industrial production in the third quarter of 1964 was 7% higher than a year earlier.

In the Netherlands, figures for the first eight months show an 8% increase, and in Sweden, production in the first half of 1964 was 7-8% above the corresponding level of 1963.

By contrast, French industrial production in the first 9 months of 1964 grew only 2% (on an annual basis), the Italian production index is expected to show a growth of 4.5% over the year, and the United Kingdom production index has remained stable.

Germany was the only major country where industrial production again increased at a rapid pace.

Leveling off

It is expected that the leveling-off trend of industrial production growth will continue in 1965 for the area as a whole. In Germany—our most important customer in Western Europe—production will probably increase almost at the 1964 rate, and in Italy the current recovery should result in production growth substantially higher than in 1964.

Inflationary pressures, present in varying degrees, have somewhat relented, partly due to effective fiscal and monetary measures taken by individual countries. Prices and wages are still on the increase, although the pace has slowed.

Labor markets continue to be tight, characterized by practically full employment, but there are indications that the situation may change. In some countries, the number of job vacancies decreased slightly toward the end of 1964 as compared with the number of jobs available in the corresponding 1963 period. The major exception is again Germany, where job vacancies are now considerably higher than in 1963.

Slower rise in imports

If the economies of the Western European countries expand as expected, imports from the United States should continue to increase. The magnitude of the 1964 increase is unlikely to be attained in 1965 in the region as a whole.

In the European Economic Community the United States can look to a further vigorous expansion of sales to Germany, since German demand for both producer and consumer goods continues strong.

Italy may be an even better customer than in 1964, while France and the Benelux countries will probably show smaller increases in their purchases from the United States.

In the United Kingdom, imports of many U.S. products subject to the recently adopted 15% surtax may decrease. The effect of the surcharge plus other deflationary measures instituted by the new Labor Government may result in lower total U.S. exports to the United Kingdom in 1965 than in 1964.

Liberalization measures taken or proposed by Spain and Austria will enhance our chances for additional exports to these countries and should offset, at least in part, possible export losses to the United Kingdom.

The two regional organizations—the EEC and EFTA—began the year 1965 by reducing their internal duties another 10%. Both organizations are moving toward the scheduled introduction of duty-free trade within their respective territories on Jan. 1, 1967. This may have some effect on U.S. exports which in 1965 will be faced with a greater tariff differential. Nevertheless, the 1964 European boom apparently was strong enough to neutralize the then existing tariff differential, as evidenced by the fact that the U.S. share of total imports increased in most EEC and EFTA states.

A successful conclusion of the Kennedy Round tariff negotiations will greatly reduce the margin of preferences applicable to goods produced within the two regional organizations, and thus afford U.S. exports in coming years access to Europe over a minimum of tariff and other barriers to trade.

Hopes of achieving the goals expected from the Kennedy Round negotiations have been greatly enhanced by the recent agreement within the EEC on the future level of grain prices. The agreement was indispensable for the implementation of the EEC Common Agricultural Policy (CAP) and, consequently, for negotiations on barriers to U.S. agricultural exports. In view of the U.S. position that barriers to both industrial and agricultural exports must be reduced, chances for meaningful concessions to be obtained in these negotiations have been considerably improved.

The only dark spot for U.S. exports to Western Europe is the expected shrinkage of our sales to the United Kingdom. However, the British Government has repeatedly stated that its surtax on imports will be modified as soon as conditions permit. While it is not possible at this moment to predict when this tax will be removed, it is hoped that the favorable economic climate in the major trading countries, including the expected further growth of the economies of Continental Western Europe and the United States, will favorably affect the U.K. economy, contributing to the likelihood of an early restoration of freer trade.

Keen rivalry

Stiffer competition may be expected in the coming year from the United Kingdom, where special export incentives have been created, and from Continental exporters who may concentrate even more intensely on their respective regional markets, where tariff differentials again have been increased in their favor.

U.S. exports should benefit from the relative stability of the U.S. price level, which will make our products more attractive in competition as European prices rise. The expected increase in European demand, however, will be the greatest stimulus to a further substantial increase in U.S. exports of both producer and consumer goods.

Austria

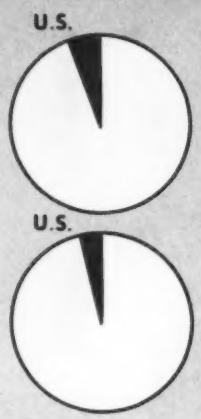
Expansion pushes economy to record high, creates and enlarges variety of markets

By ELROY B. THIEL
European Division, BIC

Continuing Austrian prosperity and the further easing of import controls should provide a number of new opportunities for sale of U.S. products in Austria in 1965.

Austrian national income, consumption and investment reached new highs in 1964 and all indicators point to further growth this year. Austria is going through a period of marked industrial expansion, and the rising standard of living is enlarging or creating markets for consumer goods and services.

In an attempt to reduce inflationary pressures growing out of this rapid expansion, the Government has introduced a series of import liberalization measures and tariff reductions designed to make a number of foreign products more attractive in the Austrian market.



Imports, Jan.-Sept. 1964

Total imports	$1,351 million
From U.S.	$ 73 million
U.S. share	5%

Exports, Jan.-Sept. 1964

Total exports	$1,050 million
To U.S.	$ 43 million
U.S. share	4%

Austria's chief imports from U.S.:
Coal, coke, industrial and office machinery, wheat, cotton, chemicals, nonferrous metal ores, tobacco.

Chief exports to U.S.:
Machinery, fibers, fabrics, clothing, glassware, toys, sporting goods, bicycles, motorcycles.

Up and up

Austria's gross national products (GNP) in the first half of 1964 was 7% higher than for the same period of 1963. A preliminary estimate for 1964 puts total GNP at $8.2 billion at current prices, or about 6.5% over the figure for the year 1963. The outlook for 1965 is a continued advance, but at the lower rate of about 5% over 1964.

Industrial production, which in the first eight months of 1964 rose 8.2% over the comparable period for 1963, promises to continue its upward trend under the influence of continued full employment and higher expenditures for consumption and investment.

Preliminary estimates of total consumption expenditures in 1964 indicate a rise of almost 9% over the previous year. Wages and salaries also have been rising. The average index of wages for January-August 1964 was 144.9, compared to 132.3 for the same period of 1963 (1958=100).

The higher productivity of Austrian workers, as well as slightly rising prices, may lead to demands for further wage and salary increases. In order to reduce or eliminate inflationary pressures in the economy, the Austrian Government is instituting a price stabilization program.

Tourism increases

Austria's income from tourism during the first nine months of 1964 was running more than 18% above the same period of 1963 and already had surpassed total tourist income for any previous full year. Austria imports more than it exports, but the balance-of-trade deficit is easily covered by tourist income.

Although the trade deficit increased 14% during the first half of 1964, the heavy influx of tourists gave Austria a balance-of-payments surplus one-third greater than a year earlier. The prospect of heavy tourist travel again this year contributes to the favorable outlook for business firms and industries serving the tourist trade.

Austria does not present a mass market, but personal incomes are rising and the demands of the consumer are broadening. Foreign products have sold and will continue to sell well if they are attractively priced and appeal to Austrian tastes.

A survey by the American Embassy in Vienna indicates that product categories offering the best opportunities for U.S. exports to Austria include medicinal preparations, pharmaceutical specialties and cosmetics; plastic materials, leather and artificial leather goods; textiles; machine tools; laundry and dry cleaning machines; office machines and equipment, household and restaurant equipment; communications equipment, and toys, sporting goods and construction machinery.

Changing picture

Austria's imports from the United States in recent years have not kept pace with total imports from all countries but statistics for 1964 indicate a change in this picture. Imports from the world during the first nine months of 1964 were about 9% above the comparable figure for the previous year, while imports from the United States increased 24%.

This gave the United States an improved 5.4% share of the Austrian market. However it is still too early to determine whether this encouraging increase constitutes a change in Austria's import pattern.

The Austrian Government's import liberalization program, begun in 1962, has contributed to the increase. As of Oct. 1, 1964, quantitative import restrictions on non-food commodities had been removed from all but 12 hard-core items. Liberalization of the remaining items is scheduled for the end of 1965 and 1966.

Besides removing these restrictions, the government has been reducing tariffs on many items and will participate in the coming Kennedy Round of tariff talks.

Lower trade barriers and favorable economic conditions should provide new opportunities for sale of U.S. products in Austria. New products, and conventional products with unique or advanced designs and components, are particularly well-suited for this market.

The U.S. Trade Centers in Frankfurt and Milan are among the points of contact for U.S. exporters and Austrian importers.

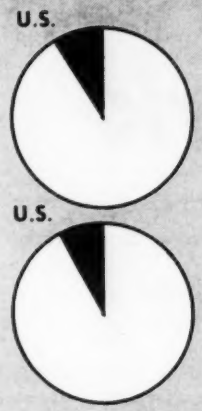
The Vienna International Fall Fair, held twice yearly, is scheduled this year for March 14-21 and and Sept. 12-19. Engineering and allied industrial products, agricultural equipment, textiles and furniture are among the goods exhibited.

Other Austrian fairs which may be of interest will be held this year at Dornbirn (textiles), Graz (iron and steel industry products), Innsbruck (tourist industry), Klagenfurt (wood and wood products), and Ried (agricultural exhibition).

Belgium

Competition is strong, getting stronger as trade soars toward high of $11 billion

By ROBERT H. WALKER
European Division, BIC



Imports, Jan.-June 1964

Total imports	$2,960 million
From U.S.	$ 259 million
U.S. share	9%

Exports, Jan.-June 1964

Total exports	$2,771 million
To U.S.	$ 231 million
U.S. share	8%

Belgium-Luxembourg's chief imports from U.S.:
Grains, coal, chemicals, cotton, precious stones, jewelry, machinery, electrical and transport equipment.

Chief exports to U.S.:
Fertilizers, photographic products, glass and products, precious stones, jewelry, textile products, iron, steel.

The new highs attained by Belgium-Luxembourg (BLEU) foreign trade during the first eight months of 1964 point to a record level of more than $11 billion for the full year. The upward surge is expected to carry over into 1965, but probably will lose some momentum.

U.S. trade with BLEU also is increasing, and prospects are for a continuation of this trend. However, BLEU trade with the European Economic Community (EEC) is rising at a steeper rate, and competition from this area—already very strong—is mounting. Sustained domestic consumption, heavy foreign demand and a high level of industrial activity support the anticipation of new foreign trade gains. Further tightening of the labor supply and the inability of construction firms to met demands for new plant facilities are likely to slow down the rise in industrial production, however.

Other limiting factors are various corrective measures taken by the Government to counteract inflationary pressures. These measures are expected to become increasingly effective, but new wage negotiations are seen as producing some additional inflationary pressures, including higher production costs and further price rises.

Going up

Projections of the gross national product (GNP) for 1964 indicate that it reached $15.2 billion in current prices, about 4% above 1963 results in real terms. The Government's four-year economic plan calls for a 17% increase in GNP. A rise of 4-5% seems likely for 1965.

The business outlook for 1965 is good. However, the high rate of expansion that characterized 1964 is expected to taper off in coming months, with production tending to stabilize only slightly above last year's high plateau. Nevertheless, strong domestic demand for both industrial and consumer products is anticipated.

Export demand, while still strong, is showing some signs of slackening, and the trade deficit is expanding. The 15% British import tax is expected to affect BLEU exports to the United Kingdom adversely.

While it is still too early to assess the effect of the anti-inflation measures undertaken by the Government in July, most observers consider them quite stringent. In the process of containing the inflationary stresses, these measures may brake the rise in business activity.

Go with gas

Exploitation of the Dutch natural gas deposits opens a new energy source for Belgium. The first contract to supply this gas to Belgium was signed last May. Deliveries are scheduled to begin in 1966 and may reach 5 million cubic meters annually by 1975.

Dutch natural gas has almost twice the caloric value of the Belgian gas now in use. Consequently, existing distribution and utilization equipment will have to be adapted or replaced by equipment suitable for natural gas. The change-over cost is estimated at $200 million for industry and $100 million for private consumers.

Among other products with good market potential are canned fruits, fruit juices and vegetables; dried and frozen fruits, fruit juice mixtures and soups; convenience foods and baby foods; cocktail dips, sauces, condiments, salad dressing and seasonings; current jazz records; wall and table decorations of wood, brass, stained glass and porcelain; novelty fabrics for upholstery and draperies; color-coordinated housewares; safety clothing and protective gear; veterinary supplies; industrial adhesives; automobile repair and maintenance equipment; automobile accessories; gas utilization and transmission equipment (medium-term potential); packaging machinery and construction and maintenance equipment.

Provisional BLEU trade data for January-August 1964 show total imports valued at $3,863 million and total exports of $3,596 million. Respectively, these are 18.1% and 15.6% above 1963.

Information on the commodity pattern of BLEU imports from the United States is available for January-July 1964. Of the 11 major commodity categories, only one failed to increase over the comparable period of 1963. The imports, with percentage increase in parentheses, were as follows:

Agricultural products, $42.9 million (2); foods, beverages and tobacco, $15.5 million (7.2); mineral products, $26.6 million (10); chemical products, $22.3 million (6.5); plastics and rubber products, $10.1 million (20.8); textiles, $24.2 million (47.2); precious stones, jewelry, $25.9 million (62.1); base metals and products, $16.4 million (32.3); machinery and electrical equipment, $63 million (20.4); transportation equipment, $25.9 million (1.4); scientific and professional instruments and apparatus, $9.6 million (down 34.5).

Not keeping pace

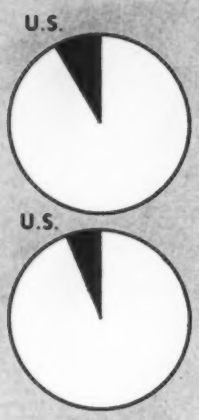
Despite this very good overall showing, imports from the United States have not been keeping pace with the increase in total BLEU imports. The U.S. share of the BLEU market for the first six months of 1964 slipped to 8.8%, from 9.2% for the first half of 1963.

Prices in Belgium have been rising sharply since July 1963, following a period of remarkable stability. Between September 1963 and September 1964, the retail price index rose 4.7% and the wholesale price index increased 6.8%. This situation may produce a slight improvement in the competitive position of those U.S. exporters who can hold the line on their prices.

Denmark

Industrial development, most dynamic facet of economy, sparks new demands

By HAROLD A. McNITT
European Division, BIC



Imports, Jan.-Sept. 1964

Total imports	$1,900 million
From U.S.	$ 167 million
U.S. share	9%

Exports, Jan.-Sept. 1964

Total exports	$1,500 million
To U.S.	$ 94 million
U.S. share	6%

Denmark's chief imports from U.S.:
Wheat, animal feeds, tobacco, oilseeds, chemicals, machinery, transport equipment.

Chief exports to U.S.:
Foods, hides, skins, animal and plant raw materials, textiles, machinery, furniture.

After scoring major advances in 1964, United States sales in the prosperous Danish market are expected to register additional moderate gains in the months ahead.

Stimulated by a steep rise in domestic investment activity, the Danish economy made rapid strides last year. The only clouds on the horizon were a persistent trade deficit and a continuing inflationary trend. Government efforts to deal with these problems this year may slow the nation's rate of economic growth, but continued boom conditions are anticipated, nevertheless.

Danish business prosperity in 1964 was reflected by the growth of the gross national product (GNP). The estimated advance over the previous year was 6-7% in terms of constant prices, one of the biggest increases in recent years (1963 GNP=$8.5 billion). A significant, though smaller, growth in GNP is anticipated for 1965.

Optimistic climate

Denmark's business climate is thus moderately optimistic. Total domestic demand, which increased 9-10% at fixed prices last year, is expected to hold up well, although the rate of increase probably will be less spectacular.

The major source of Denmark's current prosperity—big domestic investment expenditures—probably will fall short of last year's real growth of 11-12%. But continued plant modernization and expansion are expected to fuel the Danish economy throughout 1965. Consumer goods demand, which rose an estimated 6-7% in 1964, may be restrained by anti-inflationary monetary and fiscal measures during the year but should remain substantial.

Because of its very low rate of unemployment (less than 1%) Denmark faces labor shortages in almost all branches of industry. The scarcity of labor, combined with heavy domestic demand, has created strong inflationary pressures.

In mid-1964, the Danish Government raised the National Bank's discount rate from 5½ to 6½% and placed a penalty rate on its loans to commercial banks in an effort to restrain inflationary pressures. Tax increases were imposed on cigarettes, beer and gasoline.

Demand for U.S. goods

The current vigorous economic activity in Denmark has sparked heavy demand for high quality United States goods. U.S. exporters will find opportunities for increased sales of machinery, chemicals, plastic raw materials, textiles, clothing, scientific instruments, paper products and petroleum products.

Numerous favorable articles appearing recently in the Danish press and women's magazines should boost sales of U.S.-made wearing apparel.

Planned construction of the Little Belt Bridge, providing an additional link between Jutland and the Island of Funen, offers a significant opportunity for sale of construction equipment.

Machinery sells

Danish imports from the U.S. reached $167 million during the first nine months of 1964, an advance of 20% over the corresponding 1963 period.

Purchases of U.S. non-electrical machinery jumped 42%, reflecting the big rise in domestic investment. Biggest demand was for power, agricultural, textile, office and special industry machinery. Electrical machinery purchases rose 22%.

U.S. wheat shipments increased markedly. Deliveries of military equipment also contributed to the jump in purchases.

Denmark's total imports for January-September 1964 were 22% above the corresponding 1963 levels. Exports rose only 9%, aggravating the large trade deficit.

It is too early to determine the effect of the British import tax on sales of Danish industrial goods to the United Kingdom. Danish agricultural exports to the U.K.—long a major source of export earnings—will not be affected.

To increase U.S. exports to Denmark in 1965, the Bureau of International Commerce will:

- Sponsor a Business Information Center at the International Exhibition for Automobile and Workshop Equipment in Copenhagen Feb. 19-28. With one of Europe's greatest concentrations of motor vehicles, Denmark offers bright prospects for U.S. exporters of automotive maintenance equipment.
- Open a new United States Trade Center in Stockholm in March. The Center will attract large numbers of Danish businessmen interested in viewing and obtaining information about U.S. products.

Increased purchases of investment and consumer goods from abroad brought Denmark a 1964 balance-of-payments deficit estimated at $218 million.

Farms modernize

Although industrial development is the most dynamic facet of the Danish economy, agriculture is important in meeting home demand and providing commodities for export. Production was on the rise throughout 1964, stimulated by sustained demand for major agricultural products at higher prices at home and abroad.

Improved agricultural income has gone hand-in-hand with rapid modernization and mechanization. Demand for efficient, up-to-date agricultural machinery remains strong, and U.S. sales of harvesters, tractors and other agricultural machinery are running at a high level.

Despite the large trade deficit which has characterized the Danish balance-of-payments in recent years, total foreign exchange holdings reached a level of $438 million at the end of November. This was achieved through extensive borrowing from abroad. Loans were taken on European markets.

Finland

Global demand for forest products means prosperity, headaches—and more imports

By HAROLD A. McNITT
European Division, BIC

Imports, Jan.-Aug. 1964

Total imports	$972 million
From U.S.	$ 61 million
U.S. share	6%

Exports, Jan.-Aug. 1964

Total exports	$804 million
To U.S.	$ 49 million
U.S. share	6%

Finland's chief imports from U.S.:
Machinery, motor vehicles, foods, chemicals, textiles, manufactured articles, tobacco, soybeans.

Chief exports to U.S.:
Newsprint and other papers, paperboard, plywood, articles of wood.

The forward thrust of the Finnish economy during 1964 is expected to continue in 1965, creating a favorable outlook for moderately increased U.S. sales to Finland.

The biggest factor in Finland's current prosperity is heavy world demand for paper and pulp, the nation's most important exports. Industrial growth in these industries rapidly stimulates the other sectors of the Finnish economy.

Reflecting the present high level of economic activity, Finland's gross national product is estimated to have scored a 5% gain in terms of constant prices in 1964 (1963 GNP=$6.3 billion). Continued growth is anticipated for 1965.

Finland thus enters the new year on a note of confidence. The paper and pulp industries, which normally account for about 18% of total industrial production and for 50% of all Finnish exports, expanded their output across the board in 1964.

Other branches of Finnish industry pacing the current production advance are chemicals, textiles and mining. The important metal working industry, which suffered a serious setback in 1963 because of a drop in exports, is beginning to move forward again, with a 4% production gain estimated for 1964.

This optimistic business climate is tempered by a persistent balance-of-payments problem and by strong inflationary pressures. Government moves to meet these problems may restrain demand for both imported and domestic goods this year.

Partly as a result of increasing prosperity, Finland currently buys more than it sells on the world market. By the end of August 1964, the excess of imports over exports had reached $168 million.

Meeting the deficit

The trade deficit has been met chiefly through long-term borrowing from abroad. If the deficit continues to increase in 1965, new measures may be taken to tighten credit and otherwise limit demand for imported goods.

A steady rise in wages and prices was measured during the 12-month period beginning in July, 1963. Finland's general income level advanced 17% and the cost of living index increased 14%. This has reduced profit margins and affected the competitive ability of Finnish industry both at home and abroad.

The Government last year used various monetary measures to restrain inflationary pressures. Finland's National Bank tightened its rediscount terms and strictly enforced the penalty rate system against excessive rediscounting by commercial banks. Credit restrictions were tightened on transactions of consumer goods, notably automobiles.

U.S. sales rocket

The Finnish market—stable, accessible and sophisticated—is a very attractive one for U.S. exporters. Finns are showing high interest in construction equipment, office machinery, hospital and medical equipment, plastics and other chemicals, cosmetics and beauty aids, audio-visual and photographic equipment, television and stereophonic sound reproducing equipment, automotive repair and maintenance equipment, industrial safety equipment, sports goods and sports wear.

The introduction of a new coin equivalent to 32 cents is expected to result in a much greater demand for coin-operated vending and service units of all types. There also appears to be an increasing demand for frozen or other packaged foods, as well as a promising interest in larger home refrigeration appliances.

Finland's imports from the United States during January-August 1964 reached $61 million (c.i.f. value), a 24% gain over the corresponding 1963 period.

The most striking advances were scored in sales of U.S. made transport equipment (up 197%), non-electric machinery (up 88%), chemicals (up 47%), manufactured products (up 43%) and electrical machinery (up 39%). Machinery and transport equipment accounted for nearly half of total U.S. sales to Finland.

The U.S. share of the Finnish market during the first eight months of 1964 was 6.3%, approximately the same as the 1963 share.

Finland's exports to the United States, chiefly forest products, made an impressive gain of 30% during the period. Total imports were valued at $972 million, a 26% increase.

Total exports amounted to $804 million, a rise of 13%. The large difference between imports and exports further aggravated Finland's persistent balance-of-payments problem.

Trade with EFTA

Highlighting Finland's world trade in 1964 was a sharp increase in the share of its exports to other member countries of the European Free Trade Association (Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom). The EFTA share of Finnish imports also advanced.

On March 1, Finland is scheduled to make a 10% tariff cut on industrial and certain other imports from these countries. This will bring Finland's total preferential reduction on goods from EFTA countries to 70% on the established rates.

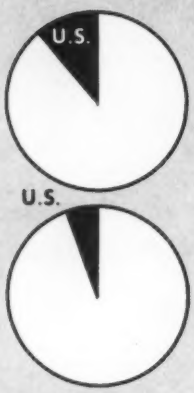
It is too early to determine how Britain's 15% tax on imports will affect Finnish trade with the U.K. Shipments of newsprint and other manufactured items will be affected to some extent.

The United States trade promotion effort in Finland was very vigorous in 1964. A Bureau of International Commerce Trade Mission generated numerous promising contacts in May. Thirty-one U.S. firms participated in the Helsinki International Trade Fair in September, in an exhibit featuring automotive service equipment.

France

Despite pessimism about national growth, import rate is expected to go on rising

By ALEXANDER DAUMAN
European Division, BIC



Imports, Jan.-Sept. 1964

Total imports	$7,485 million
From U.S.	$ 857 million
U.S. share	11%

Exports, Jan.-Sept. 1964

Total exports	$6,531 million
To U.S.	$ 343 million
U.S. share	5%

France's chief imports from U.S.:
Machinery, aircraft, cotton, fuels, oils, precision instruments, chemicals, grain, automobiles, metals and products, rubber goods.

Chief exports to U.S.:
Automobiles, works of art, wines, spirits, steel mill products, clothing, rubber articles, scientific instruments.

U.S. exports to France should continue to rise in 1965, but probably less sharply than in 1964.

Expansion of the French economy is likely to slow down this year, with gross national product rising about 4% above last year's level of $86 billion. This would compare with a year-to-year gain of 5% registered in 1964.

Recent polls show that a growing proportion of French businessmen is quite pessimistic about industrial production prospects for the near future. Although most economic observers agree that production will grow at a substantially reduced rate during the early months of 1965, they do not foresee a recession. Some believe that the Government's 1965 budget, which calls for expenditures running 7% ahead of 1964, should boost the economy and, with assistance from seasonal factors, trigger an upswing in the second quarter of 1965.

Best sellers from U.S.

Among the great variety of American products already in demand in France, the best sales potential seems to lie with mechanical, electronic and electrical equipment; selected machine and pneumatic tools; office equipment; automotive accessories; aircraft components; scientific and professional instruments; coloring materials; synthetic resins; vinylic lacquers; bulk vitamins and antibiotics; anti-corrosion products; pulp, paper and coniferous wood; air conditioning and refrigeration equipment; floor cleaning and waxing machines; dishwashing and packaging machines; filtering and purifying machines; steel mill and refinery equipment; drycleaning and laundry equipment; toys and sporting goods, women's apparel and kitchen equipment.

French imports reached $7,485 million during the first nine months of 1964, showing a remarkable 19% rise over the comparable period of 1963. Exports gained 11% to $6,531 million. Indications are that French foreign trade in 1965 will continue to grow, with exports rising more steeply than imports.

French imports from the United States climbed to $857 million in the first nine months of 1964, a 33% gain over the corresponding period of 1963. The U.S. share of the French import market rose to 11.4% from 10.2% in the January-September period of 1963.

When the results for the entire year are tabulated, they undoubtedly will show French imports from this country topping the billion-dollar level for the first time, probably coming close to $1.2 billion.

A noteworthy feature of this steep increase is that U.S. exports to France in 1964 forged ahead on a broader front than in the past. Although the largest value increases occurred in such traditionally strong U.S. export categories as capital goods, semimanufactures and raw materials, considerable gains were also registered in U.S. exports of consumer goods.

Price rises checked

The French Government's Stabilization Plan, which froze prices of manufactured goods at Aug. 31, 1963, levels, has done much to brake price rises. The Paris area retail price index for September was only 2.2% above the September 1963 level, whereas the increase during the comparable period a year earlier was 7%. Wholesale prices increased 1.3%, against a 4.6% rise in the preceding 12 months.

The increase in wholesale prices was mainly due to sharp rises in prices of a few food products and raw materials. Prices of manufactured goods are not expected to climb appreciably in the months ahead, since there are no indications that price restraints will be lifted soon. Thus, the ability of various American products to remain competitive in the French market may depend to a large degree on the ability of U.S. exporters to hold a tight rein on their prices.

To help expand U.S. exports to France, the Bureau of International Commerce has scheduled a number of promotional projects, including:

- Information Centers at the Bordeaux and Lille International Trade Fairs, both to be held in the spring of 1965. The Centers will present specific business proposals of U.S. firms to French buyers.
- Industry-organized, Government approved trade missions will visit France in March and April.

During 1965 about 70 trade fairs in France will provide opportunities for U.S. businessmen to exhibit their goods. (For a list of such fairs, see INTERNATIONAL COMMERCE, Dec. 21, 1964.)

Construction booms

Although recent economic developments indicate a weakening demand for certain consumer and capital goods, most basic industries are performing well.

One of the strongest economic sectors is construction. Private building and public works rose considerably in 1964. Dwelling completions alone probably totaled some 365,000 units for the year, compared to 336,000 units in 1963.

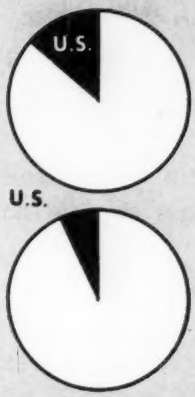
Although the rate of increase in industrial production has been slowing since the second quarter of 1964, September output still exceeded by 4.1% the level reported for September 1963. The outlook for the basic and intermediate industries, such as chemicals and steel, which increased production appreciably during 1964, is favorable. The steel industry appears unaffected by a slowdown in automobile production, which began last spring.

Sales of household appliances improved in October after a slowdown during the second and third quarters, but the textile and machine tool sectors report stagnating demand.

Germany

Domestic demand stimulated by investment activity offers exporters new challenges

By MARGOT W. ZEYNER
European Division, BIC



Imports, Jan.-Sept. 1964

Total imports	$10,552 million
From U.S.	$ 1,441 million
U.S. share	14%

Exports, Jan.-Sept. 1964

Total exports	$11,812 million
To U.S.	$ 865 million
U.S. share	7%

Germany's chief imports from U.S.:
Agricultural products, chemicals, electrical and electronic equipment, machinery, automobiles, aircraft.

Chief exports to U.S.:
Electrical and other machinery, automobiles, precision mechanical and optical products.

The outlook for a continued increase in the sale of U.S. commercial products to the expanding German market during 1965 appears bright.

Healthy growth prospects, continued full employment, and moderate price increases are boosting German business confidence.

The expected growth in domestic demand, triggered by renewed investment activity and increased disposable incomes for German consumers will contribute most to the maintenance of economic strength in 1965.

The German Institute for Economic Research, Berlin, has estimated that Germany's gross national product (GNP), which measured $94.2 billion in 1963, increased by 10% in current prices in 1964, thus placing current estimates for GNP in the past year at $103.6 billion.

In real terms, Germany's GNP expanded by an estimated 7% during 1964, with a slightly lower growth rate of 6% expected in 1965.

Domestic demand up

Domestic demand, stimulated principally by investment activity, has become the mainstay of German growth. Orders from abroad, constituting one of the principal propellants of economic growth during the first half of 1964, have levelled off somewhat but will continue to have a favorable effect on the economic growth.

Current estimates indicate that industrial production will grow at a rate of 7 to 8% in 1965, with the 1965 growth rate in capital goods expected to exceed the 1964 estimate. German business circles expect particularly rapid production growth in steel construction, mechanical engineering, electrical engineering, and ship building. Faced with continuing labor shortages, industry is turning to increased investment in plant and equipment, and industrial investment is expected to grow by about 10% this year.

The German Federal Statistical Office has reported that retail sales in October 1964 were 9% higher than in October 1963. In addition, consumer spending will be stimulated by the $0.8 billion a year income tax cut recently passed by the Government, which became effective Jan. 1.

Recent estimates indicate that disposable incomes of private households will expand more sharply in 1965 than they did in 1964 (10% and 8%, respectively), with forecasts for 9% increases in private consumption and 10% in public consumption.

Products sought

U.S. semi-finished and finished commodities offer the best prospects for sale in Germany. Plans of German industry to increase investment in plant and equipment should offer ample opportunities to U.S. exporters. Sales efforts also appear promising in the field of labor-saving devices for the home.

As shown in the table above, German imports from the U.S. totaled $1.4 billion during the first nine months of 1964, down 7% from the corresponding levels of 1963. This drop resulted from lower military procurements by the German Government.

On the other hand, German commercial imports from the U.S. continue to grow, and were 17.5% higher in the first three quarters of 1964 than in the same period of 1963. Semi-finished and finished goods made up the bulk of the sale of U.S. commercial products to Germany, while German purchases of raw materials and agricultural products have declined.

Especially noteworthy is the trend in two-way trade between Germany and the U.S.: Germany's principal purchases from the U.S. fall in the same general categories as Germany's principal sales to the U.S.

In general, total German imports should increase by about 11% during 1965, with total exports increasing by 9%, off somewhat from last year's estimated export growth rate of 11%.

As part of a stabilization program, Germany reduced import duties on a number of industrial and agricultural commodities on July 1, 1964. For imports from the U.S. and other countries that are not members of the European Economic Community (EEC), duty rates on about 300 industrial items previously above the proposed levels of the EEC's Common External Tariff (CXT) were lowered to CXT levels.

U.S. trade programs

In order to assist U.S. exporters in selling abroad, the Bureau of International Commerce is conducting a vigorous commercial program in Germany. Much of this program is carried out at the U.S. Trade Center in Frankfurt.

- Future shows presently scheduled for the Trade Center are:

Jewelry and Personal Accessories, Feb. 10-17; Business Machines, Systems and Accessories, March 10-17; Food Processing, Freezing and Packaging Equipment, April 7-14, (tentative); Poultry Equipment, May, (tentative).

- The U.S. will be mounting exhibits at the following trade fairs in Germany during 1965:

International Exhibition for Textile Fabrics (INTERSTOFF), Frankfurt, May 5-12; International Meat Industries Supply Exhibition (IFFA), Cologne, July 3-11; Welding and Cutting Trade Fair, Essen, Sept. 25-Oct. 3; International Congress and Exhibition for Instrumentation, (INTERKAMA), Duesseldorf, Oct. 13-19.

Greece

March on development-plan goals produces steady upward trend in per capita income

By JOHN EDDY
European Division, BIC

Imports, Jan.-Aug. 1964

Total imports	$547 million
From U.S.	$ 86 million
U.S. share	17%

Exports, Jan. -Aug. 1964

Total exports	$175 million
To U.S.	$ 36 million
U.S. share	20%

Greece's chief imports from U.S.:
Grains, industrial machinery, petroleum, chemicals, transport equipment.

Chief exports to U.S.:
Tobacco, foodstuffs and beverages, semimanufactured products, minerals, textiles and leather goods.

In spite of balance-of-payments difficulties, the Greek economy is expected to continue expanding in 1965. The outlook for increased U.S. sales is good.

In the first eight months of 1964, Greece's foreign trade deficit widened to $372 million, 33% greater than in 1963. Total imports rose 19%, exports dropped 2%. On the domestic side, however, growth in most sectors was satisfactory.

Many crops, especially tobacco, wheat and fresh fruits, reached record levels. Industrial production shot up 12% in the first eight months, and an increase of 9-10% was forecast for 1964 as a whole. The 1964 gross national product is estimated to have risen by about 7%. The probability is strong that Greece will achieve its development plan goal of at least 6% growth in 1965.

The Cyprus problem

The most damaging effect of the Cyprus problem on the Greek economy so far seems to be a slowing down of Government action on investment applications and other development matters. However, indications are that neither foreign nor domestic business confidence in Greece's future has been affected.

The regular budget showed a surplus of about $40 million in 1964. Increased revenues were sufficient to provide for some development projects as well as additional defense expenditures.

Last year's deficit on current account was aggravated by a deceleration in the growth of tourism and emigrant remittances, probably due to the Cyprus crisis. By the end of August, foreign exchange and gold reserves had been drawn down to $268 million, about $10 million below the 1963 year-end figure.

Imports spurt

During the first eight months of 1964, total Greek imports (Greek figures, payments basis) amounted to $547 million, up 19% from the corresponding 1963 period.

Purchases of capital goods abroad accelerated 40%; raw materials, 28%; foodstuffs, 9%, and fuels, 4%. A 14% rise in imports of manufactured consumer goods was attributed to stepped-up buying of foreign textile products, private vehicles and household equipment.

U.S. exports to Greece in January-August 1964 totaled $86.4 million, also up 19%.

Sales of U.S. capital goods jumped 69%, to $21.6 million; raw materials, 90%, to $12.9 million; manufactured consumer goods, 28%, to $19.8 million, and agricultural commodities, 16%, to $25 million.

U.S. shipments to Greece during the period accounted for about 17% of total Greek imports, compared with approximately 16% in the same interval of 1963. Some $31 million, or 36%, of the U.S. exports were financed with AID funds.

Consumer market up

A rise in Greek imports of U.S. manufactured consumer goods has accompanied the steady upward trend of Greek per capita income. Last year the increase occurred mostly in woolen fabrics, radios, private automobiles, household equipment and plastic and artificial semimanufactured materials.

Although the higher prices of some U.S. consumer goods—compared with French, German or Italian commodities—may still have a slightly deterring effect on U.S. sales to Greece, Greek businessmen do not hesitate to buy more expensive but highly regarded U.S. capital equipment.

Expressed as a percentage of total cost, the difference in price between the European and U.S. equipment is much less important than in the case of consumer goods.

Greece's $10 billion economic development plan for 1962-71 stresses rapid growth in industry, agriculture and tourism. Such emphasis is opening up opportunities for U.S. exporters of power generating machinery, machine tools, air-conditioning and refrigeration equipment, telecommunications apparatus, transportation equipment, roadbuilding machinery, raw materials, tractors, ploughs, planters, harrows, pumps and sprinkler lines.

Greek exports to the United States in January-August 1964 totaled $35.8 million, or 21% of Greece's total exports of $175 million in the period.

Key to the market

To assist U.S. businessmen in developing trade and investment opportunities in Greece, the Bureau of International Commerce plans a Business Information Center at the Thessaloniki International Trade Fair in September. The final report of the BIC Trade Mission which recently returned from Greece appeared in last week's issue of INTERNATIONAL COMMERCE.

U.S. entrepreneurs are continuing to investigate Greece as a potentially fertile field for private investments, with an eye to exporting from Greece to the European Economic Community (EEC). On Jan. 1, the Common Market cut tariffs on industrial and certain agricultural imports from Greece another 10%, bringing the EEC's total duty rate reduction for purchases from Greece to 70% on industrial and 55% on agricultural products.

Greece also affords a strategic location as a manufacturing base for exporting to the Near East and Africa.

Recent U.S. investments in Greece are proceeding according to plan. The Esso-Pappas group has broadened its original design for a $110 million industrial complex at Thessaloniki to include a naptha steam cracker and a caustic soda-chlorine gas production facility. Overall cost is now estimated at $190 million.

Italy

Growth rate slows, but stabilization program is renewing economic vigor

By FERNAND LAVALLEE
European Division, BIC

U.S. exports to Italy topped the $1 billion mark in 1963, were even higher in 1964 according to early estimates, and prospects seem good that they will reach still higher levels in 1965.

Italy's expanding gross national product (GNP), improving balance-of-payments, increasing industrial production, and a general improvement in the nation's overall economy all contribute to making Italy a good market for U.S. products in 1965. Moreover, the prospects of increased Italian investments in capital equipment should provide U.S. producers with attractive market possibilities. Although Italy's growth rate is slowing down, its estimated 1964 GNP still increased 3% in real terms over 1963, and is expected to increase 5% in 1965.

Latest estimates indicate that industrial production increased by 4½% in 1964 and will go up by 7.2% in 1965 and 7.6% in 1966.

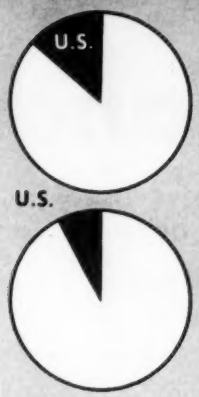
The growth of Italy's economy has influenced the attitudes of businessmen who had adopted a waiting attitude when economic conditions faltered somewhat during 1963 and into 1964. At present, the general view in business and government circles is that the economy will continue to improve during the next few months. Official surveys taken recently by Italian trade organizations indicate a definite improvement in business confidence, which the Italian Government is counting heavily on for the increased private investments needed to make its economic programs a success.

Export possibilities

Italy's favorable economic conditions along with the improving standard of living considerably improve sales prospects for U.S. products. The increased purchasing power of Italian consumers, made possible by years of continued prosperity, has changed Italian tastes. Consumer demand has been created for many new products.

Products destined for the Italian market should place emphasis on space-saving, since Italian apartments generally have small kitchens and lack closets.

A recent exhibit of U.S. coin-operated washing machines and dry cleaning equipment received wide acclaim and was extremely successful in terms of sales, indicating a good market for those products in Italy. There is also a rising demand for such products as packaging equipment, automatic vending machines, hospital equipment, business machines, computers and communication equipment.



Imports, Jan.-Aug. 1964

Total imports	$4,994 million
From U.S.	$ 700 million
U.S. share	14%

Exports, Jan.-Aug. 1964

Total exports	$3,804 million
To U.S.	$ 317 million
U.S. share	8%

Italy's chief imports from U.S.:
Feedgrains, unmanufactured cotton, other agricultural products, coal, electrical and other machinery.

Chief exports to U.S.:
Wool apparel, shoes, office machines, automobiles, dairy products.

Foreign trade

One of the most significant recent developments has been the marked improvement in Italy's foreign trade balance in the second half of 1964. In July 1964 Italy had a trade surplus for the first time since August 1959, and official trade data for July and August 1964 show exports of $1,023 million and imports of $996 million, for a net surplus of $27 million.

The United States continues to be Italy's second largest supplier after Germany, with U.S. products representing about 14% of Italy's total imports during the first eight months of 1964. Imports from the U.S. reached $700 million in this period, while exports to the U.S. amounted to $317 million. Imports and exports increased by 5% and 7%, respectively, over the same period in 1963.

The U.S. is facing strong competition in Italy from other members of the European Common Market. Between January and August 1964, Italy imported 33% of its total imports from within the European Economic Community (EEC), an increase of 4% over the corresponding period of 1963, while shipments to the other EEC countries accounted for 38% of overall exports, an increase of 25%.

An interesting change in the U.S.-Italian trade pattern was the shipment of American cattle to Italy during 1964. U.S. cattle had not been sold to Italy in over 50 years, but purchases from the U.S. were required to help satisfy increased beef consumption in Italy, another indication of changing taste.

- The U.S. Trade Center which opened in Milan last January is completing a successful year. Product categories scheduled for exhibits at the Center during 1965 include: Institutional Catering Equipment, January 23-31; High Fidelity and Stereo Equipment, February 20-27; Housewares, March 20-25; and Industrial Fasteners, May 22-29.
- The U.S. will also operate Business Information Centers at the Padua Fair, from May 31 to June 13, and at Turin's International Technical Exhibition, September 18-30.

Italy's economic situation at the beginning of 1965 is much better than a year ago. Faced with an ever widening trade deficit and inflationary pressures, last year the government decided to enact several stabilization measures.

Desired effect

By the end of September, it became evident that these measures were having the desired effect, and a marked improvement in Italy's economy was noticable. The balance of payments improved, and what had been a $1.3 billion deficit in 1963 was turned into a surplus in 1964.

The Italian Government is not expected to enact any new stabilization measures during 1965. Some of the restrictions have already been removed, and others may be eased during 1965.

These relaxations, together with economic measures to stimulate investment, continued capital inflow from abroad, the acceleration of public work projects and construction outlays are expected to stimulate production and increase demand for foreign products.

Netherlands

Thrust of 1964 activity carries into '65 and promises expansion of booming market

By JACOBUS T. SEVERIENS

European Division, BIC

U.S. exports to the Netherlands should continue to increase in 1965, although the rate of gain probably will not match the 27% rise registered in the first eight months of 1964.

The Dutch economy registered impressive gains last year. Year-end estimates show industrial production up 6% over 1963, along with a 13% rise in investments in fixed assets. Stimulated by boosts in wages and fringe benefits averaging 15%, domestic consumption increased 6%, while total imports climbed 16%.

The thrust of this economic activity should carry over into 1965, although monetary restraints and more moderate wage-price increases may slow the rate of economic expansion.

The 1965 increase in the gross national product is expected to be 2½%, compared with 5% in 1964. Industrial production is forecast to grow by about 3%. Investments in fixed assets may not exceed 1964 levels, however.

Such a development, together with much smaller wage rises than last year, is likely to result in a lower rate of expansion in domestic demand during 1965. The general leveling off of the private investment boom could relax some of the tension in the present tight labor market.

Sharp increases in production and utilization of the country's huge natural gas resources should provide a strong fillip to the economy. The important construction industry, which started a record 95,000 dwelling units in 1964, probably will expand further. Government policy aims at 95,000 to 100,000 new residential unit starts in 1965.

Balance of payments

Cautious optimism has been voiced that the 1965 balance of payments will show a much smaller deficit than the $345-million deficit estimated for 1964. Government planners predict that exports will rise 13% over last year's level, compared with a year-to-year gain estimated at 11% for 1964.

Restraints on domestic demand may hold the increase in imports to a moderate 6%. Improving trade relations with Indonesia could further help the Dutch balance-of-payments situation by restoring to the Netherlands its traditional role as a world marketing center for tropical products.

Opportunities to boost exports of many U.S. products to the Netherlands are excellent, especially for natural gas utilization equipment, automation equipment, scientific instruments, textile machinery, office machines, various organic chemical specialties and certain kinds of lumber.

Good prospects also can be found for many attractively-priced consumer items, such as clothing specialties, paper products, photographic equipment, sportswear, sports equipment and food specialties.

Total Dutch imports for the first eight months of 1964 increased to $4,670 million, 23% over the like period 1963. Imports from the United States during the same period climbed 27% to $519 million, boosting the U.S. share of the Dutch market from 10.6 to 11.1%.

The Netherlands' Common Market partners continued to strengthen their position as Holland's chief suppliers, increasing their market share from 51 to 53%. The combined market share of European Free Trade Association countries (EFTA) remained at 14%.

Dutch exports rise

Dutch exports for the first eight months of 1964 totaled $3,648 million, a 14% gain over the like 1963 period. Exports to the United States over the same period, however, increased only 4% to $133 million, dropping the U.S. share of Dutch exports to 3.6% as against 4% for first eight months of 1963.

The Common Market countries were Holland's major customers, accounting for 56% of Dutch exports, up from 53% during the first eight months of 1963. The share of the EFTA countries declined from 21 to 19%.

In the first half of 1964 substantial increases were noted in Dutch imports of iron ores, electrical machinery, automobiles, plastics, cattle and lumber, whereas major decreases were registered for grains, coffee, fuel, oil seeds and wool.

Major increases in Dutch exports in the January-June period were reported for transportation equipment, electrical machinery, chemical products, meat preparations, textile yarns and fabrics. On the other hand, Dutch export sales of eggs, vegetables and fruits declined.

U.S. at fairs

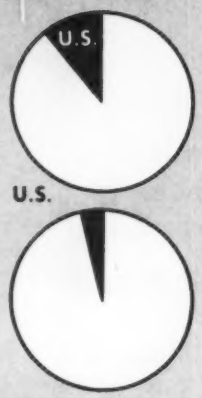
U.S. trade promotion activities in the Netherlands in 1965 will be highlighted by U.S. Government exhibits in two major trade fairs:

- Royal Netherlands Industries Fair, Utrecht, March 8-16—industrial, commercial and domestic gas equipment.
- Machinery and Equipment Fair (MACHEVO), Utrecht, Oct. 13-20—machinery, apparatus and instruments for chemical, foodstuffs and beverage industries.

Consumer prices in 1965 are expected to average about 4.5% over 1964 levels, compared wtih a year-to-year gain of 6.5% in 1964. Price rises for capital goods will approach 3.5% this year, as against 4.5% in 1964.

The Government is pursuing a more active policy to contain inflationary pressures. Supplementing its June decree abolishing all forms of collective resale price maintenance agreements, the Government banned individual resale price maintenance agreements on several types of electrical appliances, as well as on automobiles, phonograph records and photographic equipment.

The Government's draft budget for 1965 calls for expenditures totaling $4.1 billion.



Imports, Jan.-Aug. 1964

Total imports	$4,670 million
From U.S.	$ 519 million
U.S. share	11%

Exports, Jan.-Aug. 1964

Total exports	$3,648 million
To U.S.	$ 133 million
U.S. share	4%

Netherlands' chief imports from U.S.:
Grains, oilseeds, coal, meat, cotton, chemicals, machinery, aircraft and parts.

Chief exports to U.S.:
Canned meats, raw vegetable materials, office machines, electrical equipment, cocoa, textiles.

Norway

Tempo of activity slows down but market for specialized products remains favorable

By GRANT OLSON
European Division, BIC

The outlook is favorable for a moderate increase in U.S. exports to Norway in 1965.

The tempo of Norwegian economic activity tended to slow down in the third quarter of 1964, primarily because major sectors of the economy were operating at near capacity. Agricultural production generally was lower than a year ago, chiefly because adverse weather conditions reduced crop yields.

The high level of economic activity in 1964 brought with it record employment opportunities. Negotiations have started on a revision of the nation's Basic Labor-Management Agreement, which expired at the end of 1964 and is considered the key to industrial relations in Norway. The complex negotiations are expected to continue for several months.

Rising prices in the latter part of 1964 tended to slow the growth of consumer demand. Demand also was affected by an increase in the rate of the general turnover tax, from 10% to 12%. This increase also could affect the level of a wide variety of imports because the tax is levied on the duty-paid value of imported goods.

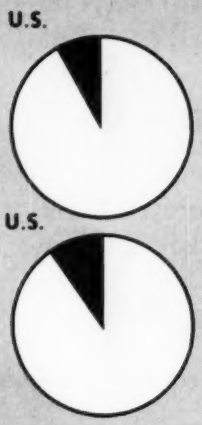
Growth in 1964

The Norwegian economy showed a strong growth rate in 1964. Coupled with this favorable development was a decline in the deficit in Norway's balance of international payments. This was the result of a favorable demand for Norwegian exports, improved ocean freight earnings and lower ship imports.

The revised national budget prepared by the Norwegian Ministry of Finance projected a 6% increase in the gross national product (GNP) for 1964. The total GNP for the year was placed at $6.7 billion (at 1963 prices). The revised national budget forecasts a rise of 4-5% in the GNP this year.

Business confidence is reflected in reports that the private sector of Norway's economy plans an increase in investments in 1965. The index of orders on hand is more favorable at this time than a year ago, and demand for Norwegian exports remained high at the end of the year.

Official Norwegian trade statistics show an increase in both exports and imports. Exports (January-August 1964) reached $830 million and imports totaled $1,250 million. Exports showed an increase of 23% over the same period in 1963 but imports increased only 5.9%.



Imports, Jan.-Aug. 1964

Total imports	$1,258 million
From U.S.	$ 100 million
U.S. share	8%

Exports, Jan.-Aug. 1964

Total exports	$830 million
To U.S.	$ 82 million
U.S. share	10%

Norway's chief imports from U.S.:
Wheat, cotton and textile fibers, tobacco, fruit, oilseeds, machinery, automobiles, chemicals, petroleum products.

Chief exports to U.S.:
Fish products, furs, textile fibers, chemical fertilizers, iron, steel, nonferrous metals, transport equipment.

The British Government's new 15% tax on imports may hurt several Norwegian export firms and industries. However, the Norwegian Central Bureau of Statistics observed that the tax should not prove any more damaging than other measures that could have been adopted.

Immediate effect

The immediate effect may be a sharp drop in orders from British importers in the coming months. If the tax is lifted at an early date, the effect may be only transitory. On the basis of 1963 trade statistics, the tax affects almost 6% of Norwegian total exports and 30% of exports to the United Kingdom.

Norway offers a favorable market for U.S. specialty products in the consumer field and for materials handling equipment, food machinery and specialized industrial machinery. Trade statistics also indicate that U.S. clothing finds a ready sale in Norway.

Norwegian imports of U.S. goods rose by 14% in the first eight months of 1964. They totaled $100 million and represented 7.9% of all Norwegian imports. Practically all product categories participated in the trade increase. The most important commodity group, machinery and equipment, account for 20% of imports from the U.S.

Norway's exports to the U.S. in the same eight-month period were valued at $81.5 million and were 9.8% of total Norwegian exports. Shipments of unworked aluminum nickel and ferrochrome accounted for 49% of exports to the U.S.

U.S. exports contend with relatively few non-tariff trade barriers in Norway. Controls currently in force are maintained by the Norwegian Government in connection with its agricultural support program and for health, sanitary and safety reasons. Payment in U.S. dollars can be readily effected through normal banking channels.

On Jan. 1, Norway cut another 10% from the tariff rates on industrial and certain other products from other members of the European Free Trade Association (EFTA). This brings the preferential tariff advantage enjoyed by exporters in EFTA member countries to 70% of the base duty in effect on Jan. 1, 1960.

Price subsidies

The Norwegian Parliament passed a bill providing $59 million for consumer price subsidies in 1965. This was $32.4 million more than the sum appropriated for this purpose in 1964. The increase was designed to compensate for the 2% increase in the general turnover tax.

The consumer price index has risen slowly but gradually during 1964 and has been approaching the level at which new price and wage negotiations would be required under current wage agreements.

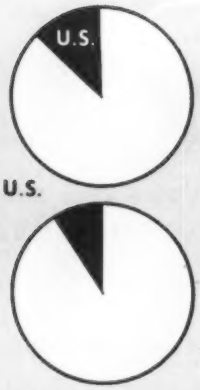
Among U.S. Department of Commerce export expansion projects for 1965 will be the opening of a U.S. Trade Center in Stockholm in March. Exhibits at this Center will be designed to permit U.S. exporters to present their products to interested businessmen not only in Sweden but in the other Nordic countries.

An international fair which may be of interest to U.S. exporters is the International Automatica Fair in Oslo next October. This fair will display new automation and control instruments.

Spain

Import liberalization boosts chances for sales to surging Spanish economy

By ARLEY T. CAUDILL
European Division, BIC



Imports, Jan.-June 1964

Total imports	$1,084 million
From U.S.	$ 145 million
U.S. share	13%

Exports, Jan.-June 1964

Total exports	$484 million
To U.S.	$ 45 million
U.S. share	9%

Spain's chief imports from U.S.:
Machinery, grains, feedstuffs, coal, tobacco and products, metals, fats and oils, soya beans, tractors.

Chief exports to U.S.:
Vegetable products, olive oil, beverages, preserved fish, spices, minerals, chemicals, fabrics, office machines, furniture, clothing.

All factors indicate that Spain will remain a good market for U.S. goods during the coming months.

Imports should continue to increase, since a new import liberalization list has been issued, and import duties have been temporarily reduced. Reserves of gold and foreign exchange are at a record high. Industrial production under the Economic Development Plan has been satisfactory, and the investment climate remains favorable.

As one of its basic objectives, Spain's 1964-67 development plan contemplates a 6% real increase annually in gross national product (GNP). Preliminary estimates place the GNP for 1964 at $16.3 billion, a gain of 6.3% in constant prices over the previous year.

The general economic situation in Spain remains favorable, despite increasing inflationary pressures and disappointing harvests in many crops. Industrial production during the first 9 months of 1964 showed significant increases, and a recent report of the Development Plan Commission shows that most industrial sectors surpassed their targets for the period.

In November the Spanish Government published decrees implementing two anti-inflation measures designed to curb excessive rises in the cost of living. One was a new list of about 94 liberalized import items. The list includes small tracklaying tractors, some chemicals, artificial textile fiber, ready-made clothing other than cotton, and several other items of interest to U.S. business. The other was a decree establishing temporarily reduced rates averaging 5% on all items of the customs tariff.

The same *Official Bulletin* also published a schedule of rates for a new compensatory import tax which replaces the old fiscal tax. This tax is intended to be the equivalent of the internal taxes which would have been paid had the imported article been manufactured in Spain. The weighted average of the compensatory tax has been increased from 7% to 9.4%, according to a newspaper calculation.

U.S. trade opportunities

Industrial machinery and equipment of a wide range, especially goods that will be required under the Economic Development Plan appear to have the best market possibilities in Spain. The Government's sweeping measures to curb inflation and bring down prices include plans for large imports of foodstuffs. Import licenses will be issued more freely and global quotas of various products are to be increased.

The liberalization of tractors should stimulate imports of agricultural tractors, since demand for them is reported to be high. The demand for farm machinery is also increasing as farm labor continues to leave rural areas for the booming industrial centers.

Although Spain's total imports rose in the first half of 1964, U.S. exports to Spain were 5% below the corresponding period of 1963, largely as a result of reduced shipments of vegetable oils and airplanes. U.S. imports from Spain in the first half of 1964 showed a 17% increase over the first half of 1963, according to Spanish statistics.

Promotion efforts

To support and promote the growth of U.S. sales to Spain, the United States will participate officially in the Barcelona International Samples Fair in June. Machine tools, portable hand tools, and spray, welding and pneumatic equipment will be exhibited.

A total of $602 million has been approved for investment in the seven regional development areas where various benefits will be granted to new industrial establishments on a geographic basis. Of this amount, $140 million is foreign

Applications for investment in these development areas during 1965 are being accepted through January 31. Benefits to be granted to investing companies are similar to those granted during the two application periods in 1964.

Under a decree issued at the end of December, up to 50% of the capital of mining companies may be owned, without prior government approval, by foreigners or private foreign corporations. As with foreign investment in most other Spanish enterprise, foreign ownership in excess of 50% of the capital of a mining enterprise must have prior authorization from the Council of Ministers.

Until the passage of the December law mining enterprises were among the few sectors of the economy singled out for special restriction insofar as foreign investments were concerned. The former legal ceiling on the foreign share of any Spanish mining enterprise had been 25% of the total capital.

Net long-term capital inflow increased 33% over the first 9 months of 1963 and totaled $239.4 million at the end of September 1964.

The Ministry of Industry recently announced that 1964 automobile production in Spain was 52% above the total of 77,000 produced in 1963. Production is expected to increase another 38% in 1965.

Trade earnings

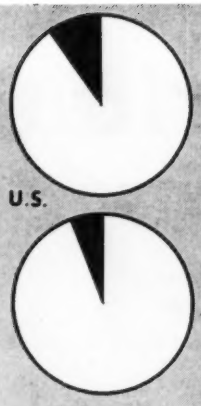
The Spanish balance of payments for the first 9 months of 1964 was in surplus by $266 million, according to preliminary information released by the Spanish Foreign Exchange Institute. The surplus for the first 9 months of 1963 was $58 million.

Tourism continued to be the single most important factor in the balance of payments. Tourism brought in $611 million in foreign exchange in 1963. Net tourist receipts for the first half of 1964 were $321 million, up 45% from the first half of 1963.

Sweden

Confident businessmen expect boom conditions to continue during 1965

By GRANT OLSON
European Division, BIC



Imports, Jan.-Aug. 1964

Total imports	$2,460 million
From U.S.	$ 257 million
U.S. share	10%

Exports, Jan.-Aug. 1964

Total exports	$2,292 million
To U.S.	$ 127 million
U.S. share	6%

Sweden's chief imports from U.S.:
Grain, tobacco, fruit, cotton, textile fibers, rubber products, coal, petroleum products, chemicals, machinery, automobiles.

Chief exports to U.S.:
Furs, wood pulp, paper, iron and steel, nonferrous metals, metal products, machinery, automobiles.

Prospects are promising for continuation of a high level of U.S. trade with Sweden in 1965.

Swedish economic activity has been brisk in 1964. Industrial operations, at peak levels, have been accompanied by full employment and strong foreign and domestic demand. Shipping earnings have been favorable, foreign exchange reserves have improved and inflationary pressures have been controlled.

All of these factors are reflected in the gross national product which is expected to show a growth of 5½% during the year—compared with 3½% in 1963. Preliminary forecasts for 1965 do not project quite the same growth. Major sectors of the economy are expected to operate at relatively the same level as in 1964. The 1963 GNP was reported at $14.3 billion (at 1959 prices).

Business confidence in Sweden was favorably influenced last year by a growing backlog of orders for iron ore, by reports of good prospects for the sale of timber in 1965, by the inflow of orders to the engineering and iron and steel industries.

An element of uncertainty in the general business outlook was created by introduction of an import surcharge by the United Kingdom, where many Swedish firms have well-established markets. Swedish business circles hope, however, that the surcharge will be retained for a relatively short time.

A survey by the Central Bureau of Statistics in August 1964 indicated that Swedish households planned to buy fewer consumer durables than during the same period in 1963.

Preliminary Swedish foreign trade statistics show that the country's exports for the first 10 months of 1964 reached $2.9 billion (f.o.b. value) and imports in the same period, $3.1 billion (c.i.f.). Exports increased 15% over 1963; imports, 13.2%.

U.S. trade expands

U.S. trade with Sweden increased substantially in 1964. Swedish imports of U.S. goods in the first three quarters of the year reached $286 million, an increase of 14.5% over the same period in 1963. As a supplier to the Swedish market the United States ranked third, after the Federal Republic of Germany and the United Kingdom, providing 10% of total imports. All major commodity groups showed increases. Swedish imports of U.S. machinery, equipment and automotive products accounted for 38%.

Swedish exports to the United States in January-August (latest official data available) were valued at $127 million.

Automobiles occupy the leading position among Swedish exports to the United States, followed by machinery and iron and steel products. Automobiles now provide 19% of Swedish exports to the United States and forest products, formerly in a leading position, account for 15%.

Even though industrial products occupy the leading position among Swedish imports of U.S. commodities, demand for consumer products in 1964 has been noteworthy. Local Swedish merchants indicated to the U.S. Embassy in Stockholm that there was a substantial stocking of U.S. consumer goods during the autumn in preparation for the Christmas shopping season.

The sale of U.S. products has followed the general upward trend in consumer purchases. Third quarter 1964 statistics show a gain of 26% in import of textile yarns and fabrics and 39% in clothing.

Outlook good

With the prevailing high level of business activity and the high rate of employment in almost every sector of the Swedish economy, the climate is expected to remain favorable for sales of a wide range of U.S. products in Sweden in 1965. Swedish importers and distributors of U.S. products and U.S. firms operating in Sweden believe there will be a sustained or growing demand for the U.S. products they distribute in the next several months.

Sweden maintains relatively few controls over imports. Restrictions affecting U.S. products are chiefly maintained to protect the health of the population, maintain safety standards and prevent the introduction of animal and plant diseases. Payment in U.S. dollars is readily obtained through normal Swedish banking channels.

Tariff preferences

The tariff preference enjoyed by industrial and certain other products originating in members of the European Free Trade Association (EFTA) is a competitive factor for American exporters. On Jan. 1, exporters in EFTA countries received another 10% tariff advantage when Swedish import duties were reduced to 70% of the base tariff rates in effect on Jan. 1, 1960. Despite these tariff advantages, U.S. exporters have been able to met keen European competition and have maintained their position in the Swedish market.

To aid American exporters promote their products more effectively in Sweden and the other Nordic countries, the Department of Commerce is conducting the following trade promotion projects during 1965:

- Opening a Trade Center in Stockholm, March 15.
- Participating officially in the Stockholm Technical Fair, Oct. 1-7.

Among Swedish fairs which invite foreign participation are:

- The St. Eriks Fair in Stockholm during September.
- The Swedish Industries Fair in Goteborg during May.

Switzerland

Healthy growth of economy to continue, but at slower pace; labor shortage acute

By JULIA G. GRAHAM
European Division, BIC

A prosperous New Year is foreseen for U.S. businessmen exporting to Switzerland.

The healthy growth of the Swiss economy, which consumed a record volume of U.S. exports in 1964, is expected to continue—although at a somewhat slower pace.

Latest available figures (through September) show that Swiss industry is expanding production and exports and increasing its imports of raw materials and semi-manufactures. Comfortable order backlogs reported by industry indicate that these uptrends should continue well into 1965, at least.

While sustained economic expansion is predicted for the immediate future, the Swiss Government's anti-inflation program may brake the rate of growth in 1965. Under this program, which was introduced last March, various measures were implemented to limit demand for labor and to curtail credit expansion, installment buying and non-essential construction. The program will be submitted to a popular referendum on Feb. 28.

By September 1964 there were indications that the anti-inflation program had slowed construction of new plants. But a generally high rate of demand spurred improvements of existing plants to boost output.

In some firms, especially those in the mechanical goods field, healthy increases in production were recorded, despite a decline in their labor forces. The upward trend in the gross national product (GNP) recorded in the four previous years continued during 1964, despite the dampening effect of the anti-inflation measures. Although final data are not available yet for 1964, it is clear that the GNP surpassed the $11.6 billion figure for the previous year. It probably did not, however, attain the 4.5% year-to-year growth rate in real terms registered in 1963.

Backlogs hefty

Despite uncertainty about future growth rates, good news shown in order book positions and export statistics give credence to the optimistic outlook for business activity. The important machinery industry averaged an 8.8-months backlog of orders at the end of September 1964. Cotton textile mills held orders equal to 7 months production on the average. Increased orders have also been recorded in linens and in artificial and synthetic yarns.

Imports, Jan.-Sept. 1964

Total imports	$2,629 million
From U.S.	$ 238 million
U.S. share	9%

Exports, Jan.-Sept. 1964

Total exports	$1,900 million
To U.S.	$ 191 million
U.S. share	10%

Switzerland's chief imports from U.S.:
Construction equipment, motor vehicles, aircraft, jewelry, industrial machinery, chemicals.

Chief exports to U.S.:
Watches, machinery and mechanical applicances, organic chemical products, optical and other precision instruments.

The export picture, described in more detail below, is another good indicator, especially since some major Swiss export industries sell as much as 90% of their products outside Swiss borders. The machinery, chemical, watch, instruments and apparatus industries all experienced good exports sales during 1964.

Price rise slows

Prices increased less sharply during 1964 than in the two previous years. Consumer prices rose by only 1.8% from January through September 1964, compared with a gain of 2.7% during the like period of 1963. The increase in wholesale prices was 0.7%, practically the same rate of gain as was posted in the January-September period of 1963.

Price trends in 1965 may be expected to depend substantially on developments in the Government's anti-inflation program. Should the declining rate of price increases continue, the competitiveness of U.S. goods in Swiss markets will rely upon the stability of U.S. prices.

Among the product categories offering the best opportunities for U.S. exporters to Switzerland are machinery and labor-saving equipment, construction equipment, furniture, drugs and toiletries, office machinery, jewelry and foodstuffs.

The market for construction equipment deserves particular attention from U.S. businessmen. Swiss demand for new housing and industrial building has far outpaced the capacity of the Swiss construction industry. This industry, which generally has maintained conservative building methods requiring heavy labor input, is finding it essential to modernize to overcome rising wages and the critical labor shortage. U.S. building techniques, equipment and materials which can improve the productivity of Swiss construction firms should find a ripe market.

The labor shortage, so acute in the construction industry, has been cited by nearly all other industries as their major headache. This problem has given impetus to a general push towards plant rationalization. U.S. producers of sophisticated, highly-automated production assemblies should seize this opportunity to boost export sales.

U.S. exports zoom

U.S. exports to Switzerland in the first three quarters of 1964 rocketed to $238 million, nearly 25% above the figure for the comparable period of 1963. This increase raised the U.S. share of the Swiss import market from 8.6% to 9%. Total Swiss imports during the period amounted to $2,629 million, a 10% increase above the previous year's total.

A brief rundown f U.S. exports from January to September 1964 pinpoints additional product categories with proven selling possibilities in the Swiss market.

Apart from raw materials and foodstuffs, such as plastic materials, cotton, tobacco, and rice, Switzerland purchased mainly construction equipment, motor vehicles, jewelry and machinery from the United States.

Among the above categories, construction equipment, aircraft parts, and electronic measuring and testing instruments showed exceptional growth.

U.S. exports of electronic measuring and testing instruments during the third quarter of 1964 were almost double the figure of the third quarter of 1963.

United Kingdom

Sophisticated, technologically advanced equipment needed in race to modernize

By EDWARD A. LESLIE
European Division, BIC

Imports, Jan.-Sept. 1964

Total imports	$11,511 million
From U.S.	$ 1,251 million
U.S. share	11%

Exports, Jan.-Sept. 1964

Total exports	$8,811 million
To U.S.	$ 721 million
U.S. share	8%

U.K.'s chief imports from U.S.:
Cereals, tobacco, textile fibers, chemicals, nonferrous metals, iron and steel, machinery, scientific instruments.

Chief exports to U.S.:
Beverages, textile yarn, fabrics and articles, iron and steel, machinery, transport equipment.

With the British economy at a critical stage and the probability of deflationary action by the United Kingdom, prospects for an increase in United States exports to the U.K. in 1965 are somewhat uncertain.

The British economy, though still expanding, showed signs of slowing down in the second half of 1964. Gross national product in 1964 approached an estimated $75.9 billion—about 3% over 1963. This increase is short of the goal of a 4% annual growth rate, but that goal has been more or less abandoned since the November sterling crisis and the uncertainty over what may happen in the next six months.

Pressures are mounting for the British to follow a deflationary course, and it is likely that further economic expansion will proceed much more slowly in 1965—probably at an annual rate of 2½ to 3%.

Loan bolsters pound

In the first half of 1964 it was apparent that the balance of payments was running a large deficit as a result mainly of a deterioration in the visible trade balance. British imports tended to increase more rapidly than exports—a situation which had been expected, since increased imports were required to sustain rapid economic expansion.

The payments deficit, in the neighborhood of $2.2 billion for 1964, forced the Government to institute emergency measures—a 15% surcharge on imports and a tax rebate on indirect taxes playing a role in the cost of production of exported goods.

To relieve further pressure on sterling, the bank rate was increased from 5 to 7%. However, the balance of payments continued to deteriorate and a crisis in sterling ensued. With the threat of devaluation and possible worldwide financial difficulties, the Bank for International Settlements and central banks of 11 countries, including the United States, provided facilities for the United Kingdom to borrow up to $3 billion in various currencies to meet the crisis. The United Kingdom has also drawn on its $1 billion standby agreement with the International Monetary Fund.

All these measures are to provide a breathing spell pending longer-term measures.

Industrial investments

The Government's program for modernizing industry to improve its competitiveness in world markets offers excellent opportunities to American exporters of sophisticated and technologically advanced equipment. Liberal depreciation allowances and other forms of assistance have been in effect for some time, and it can be expected that the British Government will increase its efforts.

U.K. investment in capital equipment and plant expansion is expected to rise to about 10% above the level for the previous year. Plans made before the bank-rate increase indicate a continued rise in investment in 1965. However, the uncertainty implied by the increase could cause a slowing-down of capital investment, especially by smaller firms.

Exploration and exploitation of North Sea petroleum and natural gas deposits offers U.S. manufacturers of drilling and engineering equipment an opportunity to make substantial sales.

In general, automation equipment, highly specialized industrial machinery and industrial control apparatus offer the most promising export opportunities for U.S. manufacturers.

Total U.K. imports during the first nine months of 1964 increased approximately 16.2% over the comparable 1963 period, reaching $11.5 billion. Major imports showing substantial increases during the period are electrical machinery, $245.3 million; non-electrical machinery, $696.9 million; non-ferrous metals, $642 million; meat and meat preparations, $779 million; cereals, $496.8 million; and iron and steel, $238.3 million. Imports from the United States were up by more than 28.8%. In the first three quarters of 1964, the United Kingdom purchased 11% of its total imports—or about $1.3 billion worth of goods, compared with $1 billion in 1963—from the United States.

This inflow will likely decrease in 1965 because of deflationary policies by the Labor Government.

Though approximately 60% of U.S. exports to the United Kingdom are affected, the adverse effect on these exports is expected to be slight, probably representing around a 6% decrease in U.S. exports to Britain. Consumer goods will probably be the hardest hit with machinery and scientific equipment least affected. Once the surcharge is removed and the balance of payments brought to a position of strength, imports from America can be expected to rise.

Trade shows planned

A number of Commerce Department 1965 trade-promotion programs will provide assistance to American business in developing U.K. markets.

- The London Trade Center plans to schedule about eight exhibits during the year.

Scheduled so far are factory and office maintenance equipment, Jan. 19-29; fruits and vegetables, Feb. 23-March 5; audiovisual equipment and training aids, May 4-14; and industrial design services, June 15-25.

- A major trade-promotion effort by the Department will be the London International Engineering exhibition, April 21-30, 1965. Over 70 U.S. exhibitors are expected to participate.

Yugoslavia

They'll be more choosy when buying abroad but restrictions won't cut total imports

By ARTHUR J. LAEMMERZAHL

European Division, BIC

Yugoslavia has taken steps to see that imports don't rise as fast in 1965 as they did in 1964, but it's unlikely that total Yugoslav imports this year will fall below last year's levels.

Import controls, approved and proposed, will have the effect of forcing Yugoslavian enterprises to be more selective in their purchases abroad—and this may be an advantage for U.S. exporters.

A number of factors contributed to the rapid expansion of imports and the subsequent balance-of-payments difficulties in Yugoslavia. Among them were the Skopje earthquake in 1963, a relaxation of some import restrictions, a wheat crop failure in 1964, a rapid increase of domestic demand and, most recently, the Zagreb flood in October.

Although the balance-of-payments situation is now quite severe, the Yugoslavs would be reluctant to restrict imports to the detriment of domestic economic growth. They feel the solution lies in expanding exports rather than restricting imports.

Financial problem

Financing the necessary imports is a major problem. Credit remains an important consideration in selling to Yugoslavia, because of the nation's heavy debt repayment schedule over the next five years. But Yugoslavia is turning increasingly to barter arrangements and joint ventures.

Yugoslavia's gross national product (GNP) for 1963 has been estimated at $6.5 billion. A projection brings the figure to $7.3 billion for 1964. A further growth of about 9% is predicted for 1965.

Business optimism in Yugoslavia remains high. There is no indication that the Yugoslavs fear any major dislocation as a result of present economic difficulties.

The optimism was reflected last month in conclusions of the Eighth Congress of the League of Communists of Yugoslavia, which put the party on record as favoring decentralization and production of more consumer goods. On the other hand, repeated delays in the publication of the seven-year plan indicate that the Yugoslavs are taking a hard look at their present economic situation and future possibilities.

The publication of a seven-year plan and the social plan for 1965 will give the U.S. exporter an idea of the priority at which scarce foreign exchange will be made available to Yugoslav purchasers.

It is expected that the plan will emphasize further development in the fields of railway transportation, tourism, hydroelectric power and agriculture, as well as increased exploitation of some of Yugoslavia's natural resources, notably aluminum.

The Yugoslavs already have expressed interest in getting some of the things they need from U.S. sources. Opportunities appear likely in licensing and co-operative ventures in tourism; sales of licenses and plant equipment for fertilizer production, aluminum mills, food processing and packaging, and in supplying mining, construction and railroad equipment.

Market share

The U.S. share of the Yugoslav market has averaged more than 20% for the past 10 years, but a significant proportion—more than 60%—has been in the form of U.S. aid. In recent years aid has consisted entirely of surplus agricultural commodities shipped under PL 480.

Although the U.S. share of the Yugoslav market was only 12.6% from June through August 1964, the year-end figure probably will be higher because most PL 480 shipments were made in the latter part of the year. Regular commercial shipments, except perhaps of raw materials, probably did not decline during 1964.

Yugoslavia still is striving to put its trade with the United States on a commercial basis and to liberalize its foreign trade system with the objective of becoming a full member of GATT. The 1964 setbacks may delay achievement of these goals, but they remain of prime importance.

During the year Yugoslavia and the U.S. signed agreements on compensation for property nationalized between July 19, 1948, and Nov. 5, 1964, and on the level of Yugoslav textile exports to the United States. A PL 480 agreement for fiscal year 1964 totaled $61.6 million and one for fiscal year 1965 totaled $40.5 million.

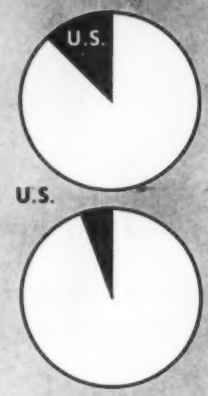
Inflationary pressures

Neither the measures taken at the beginning of the year to liberalize imports, nor those taken more recently to dampen the import growth rate, had the effect of changing the structure of Yugoslavia's restrictive system. The level of imports has been influenced by the allocation of foreign exchange and measures designed to restrict internal demand.

Inflationary pressure generated by heavy demand is one of the major causes of Yugoslavia's problems. Yugoslav enterprises have found it more profitable to sell domestically than to export.

Inflation was triggered by the disastrous earthquake in 1963, and given a further boost by a government decision to allow increases in the prices of agricultural products, coal and electric power, in order to increase funds available for investment in these areas. This decision was followed by a general wave of price increases.

As far as prices are concerned, it would appear that questions of quality, maintenance and especially credit have become more important to the Yugoslav buyer in recent years.



Imports, Jan.-Aug. 1964

Total imports	$902 million
From U.S.	$114 million
U.S. share	13%

Exports, Jan.-Aug. 1964

Total exports	$564 million
To U.S.	$ 32 million
U.S. share	6%

Yugoslavia's chief imports from U.S.:

Grains, cotton, vegetable oil, machinery, coal and coke, chemical materials and products.

Chief exports to U.S.:

Lead, furniture, tobacco, canned meat, nails, bolts, vegetables, cotton fabrics, wood products, minerals, copper.

Far East gains and grows

Both robust and developing economies require increased shipments from abroad

By staff members
Far Eastern Division, BIC

Overall U.S. sales to the Far East last year reached record levels, reflecting continued economic growth and increased foreign exchange availabilities in most countries of the area.

Despite economic difficulties in certain countries, and political problems in others, U.S. exporters supplying the Far Eastern market should register further gains in 1965.

Data for the first 10 months of 1964 indicate that U.S. exports to the Far East were up by 12% over the corresponding period of 1963, only slightly less than the percentage increase for total U.S. exports to the world. The Far East again accounted for nearly one-sixth of U.S. sales abroad, with a projected regional total of between $3.7 and $3.8 billion for the year.

The rise in U.S. exports to the Far East (including Oceania) was concentrated in 7 of the 13 countries of the area—Japan, Australia, the Philippines, Hong Kong, South Viet-Nam, New Zealand, and Laos. All-time highs for U.S. exports were recorded for at least four of these, which more than offset reduced buying by South Korea, Taiwan, Indonesia, Thailand, Malaysia, and Cambodia.

Australians lead way

Australia, with its booming economy and international reserves of nearly $2 billion, set the pace for U.S. exports to the area. American sales to Australia jumped by almost 50% in the first 10 months of 1964, exceeding the half-billion dollar mark for the first time. Australia's purchases of American goods should expand further this year and the country will retain its position as our second best customer in the area.

U.S. exports to Japan, which represent about half of our total Far Eastern sales, also set a record as they edged toward the $2 billion level. Japan's continually rising gross national product is expected to increase by 8% in 1965, so U.S. shipments to Japan may top the 1964 performance.

New highs were also registered for U.S. exports to Hong Kong and New Zealand, and apparently to the Philippines. In the first two cases, buoyant economic conditions indicate that the upward trend will continue.

For the Philippines, however, U.S. sales may recede from the 1964 level, as U.S. exporters face another reduction in Philippine tariff preferences under the Revised Trade Agreement between the two countries. A domestic political campaign, coupled with problems affecting established and prospective American investors, add to the uncertainty.

Enlarged opportunities

Although 1964 shipments to Thailand and Malaysia declined, both countries are undergoing substantial economic growth and should offer enlarged sales opportunities this year. In Taiwan, whose economy has been expanding faster than all other Far Eastern countries except Japan, last year's dip in U.S. exports reflected the phasing-out of U.S. aid. Additional selling efforts will be needed to recover the lost ground.

U.S. sales to South Korea also dropped, in line with an overall contraction of Korean imports, but should pick up this year as the U.S. aid program continues and Korean foreign exchange availabilities increase.

The sharp fall of nearly 40% in U.S. exports to Indonesia, however, reflects more basic economic and political difficulties which will not be immediately resolved.

Exports to South Viet-Nam and Laos will continue to be geared to the U.S. aid programs, as well as political and military developments. Sales to Cambodia, although small, may show some increase.

U.S. import record

On the import side, U.S. purchases from the Far East for the first 10 months of 1964 rose by nearly 9% over the corresponding period of 1963, with a projected total of about $3.4 billion for the year. Over half of the countries of the area shared in the enlarged U.S. import bill, with Indonesia, Taiwan, Korea, and Hong Kong leading in percentage gains; and with Japan showing the greatest rise in dollar sales.

The expected continued expansion of the U.S. economy and generally favorable supply conditions in most Far Eastern countries, indicate that U.S. imports from the Far East in 1965 should better last year's record.

The Far East is a vast, diverse, and constantly changing market, where the U.S. participation in supplying the foreign requirements of the various countries ranges from high percentages in Japan and the Philippines to relatively low figures for Malaysia and Thailand.

In nearly every case, the U.S. share of these different import markets can be increased. To do so, however, demands a recognition by American exporters that the markets are indeed different and require individual attention. This can best be accomplished through frequent and extended visits to the area by representatives of American firms—visits which include those countries where the potential for specific lines of goods has not been fully explored.

Trade promotion efforts

For its part, the Department of Commerce has planned a variety of 1965 trade promotional efforts aimed at probing, developing, and expanding the U.S. role in Far Eastern markets. These include official trade missions to the Philippines, Thailand, and Taiwan, and probably to Malaysia and Hong Kong; and a number of specialized industry-sponsored, Commerce Department-approved missions scheduled for other countries. The Department will also participate in the Tokyo International Trade Fair scheduled April 16-May 6.

U.S. Trade Centers in Tokyo and Bangkok will continue to hold periodic shows tailored to the respective markets they serve. These shows provide opportunities for introducing new products and firms to these areas, while established American suppliers can utilize the exhibits to broaden their business contacts in the Far East area.

Beyond the purely trade aspects of our commercial relations with the Far East, U.S. firms increased their participation in the economic growth of the area through a wide range of licensing agreements and direct investments. These activities have been a significant aid to the economic development of certain countries, and more participation by U.S. companies is required to maintain the forward momentum of these developmental efforts.

A progressive expansion in such investment, as well as an enlarged trade with the area, can be mutually beneficial to both the Far East and the United States.

Australia

Opportunities for investment, trade grow as industrial development moves forward

By DEANE M. BLACK

Far Eastern Division, BIC

U.S.

Imports, Jan.-Aug. 1964

Total imports	$1,920 million
From U.S.	$ 454 million
U.S. share	24%

Exports, Jan.-Aug. 1964

Total exports	$2,045 million
To U.S.	$ 183 million
U.S. share	9%

Australia's chief imports from U.S.:
Machinery, capital equipment, transport and communications equipment, synthetic rubber, textiles, cotton, tobacco, pulp, paper, board.

Chief exports to U.S.:
Meat, wool, nonferrous metals, frozen lobsters, sugar.

Australia's good economic conditions indicate a continuation of a favorable climate this year for increased U.S. sales.

There has been some speculation as to the economic implications the Government's newly-announced $2.7 billion defense program will have over the next three years. However, the greatest impact is not expected until late 1965, the first fiscal year in which the economy will have to adjust to a significant shift of resources to meet defense needs.

The Australian Federal Treasurer stated in New York recently that Australia was "in a state of buoyancy" and that the financial year ended June 30, 1964, had been the best in Australia's history.

Record in foreign trade

Australia's foreign trade reached record levels in 1963-64; exports rose nearly 36% in value to $3.1 billion; imports increased approximately 9% to $2.7 billion, leaving a favorable balance of trade at the end of the year of $444 million.

Total overseas reserves increased by more than $500 million to $1.9 billion, or about 36% above the end of June figure for 1963. The gross national product at current prices rose 9.5% to $19,533 million in the same period.

While later figures indicate that Australia's foreign trade deteriorated sharply in the three months' period to September 1964, resulting in a trade deficit of some $89 million, overseas reserves declined by less than $11 million due to the continued high rate of capital inflow currently running above the $560 million recorded for 1962-63.

Despite this temporary set-back in the trading position, a high demand for imports should continue for some months ahead since the major export season is well underway and export receipts are rising.

U.S. share continues to rise

U.S. trade with Australia continues its upward trend. Australian imports from the U.S. in the year ended June 30, 1964, increased to $609 million, 18% over the previous year.

The largest increases in U.S. exports to Australia were in machinery, industrial components and parts, instruments and appliances, and industrial raw materials.

Australian exports to the U.S. also continue to rise although the balance of trade is still strongly in favor of the U.S. Exports from Australia to the U.S. in 1963-64 were valued at $314 million, an increase of about 5% over the year before.

The U.S. share of the Australian import market is now about 23%. Competition is keen, however, particularly from Japan. Australia's best export market for wool the country's principal earner of foreign exchange now is Japan.

Defense program implications

The Government's new defense program involving re-equipment and expansion of the Army, Navy, and Air Force, and considerable increases in expenditure both in Australia and abroad, will total approximately $2.7 billion over the next three years.

Observers have noted that, domestically, the additional defense spending probably will have the greatest impact on specific local industries, particularly building and construction, engineering, metalworking and steel, while new equipment and weapons for the three services will probably have to be supplied from abroad.

Whatever adjustments the economy will be called upon to make, continued high activity in the private sector is predicted for the next year.

The automotive industry, whose vitality is one of the key factors in Australia's economic health, has undertaken a $224 million expansion program, and expenditures of between $90 million and $112 million are being made this fiscal year.

The growth of Australian manufacturing industries has been phenomenal, and the $1.4 billion in development projects begun in 1963-64 will be spread over a number of years.

A large part of the development is in basic industries—steel, aluminum, building and construction, engineering, chemicals, fertilizers and petroleum products.

Large-scale projects for exploration and development of mineral resources will also continue for years to come.

These developments mean more and bigger opportunities for U.S. exporters and investors in the raw materials and capital equipment fields.

Although consumer goods imports fell slightly in 1963-64, a vast untapped market for these goods exists in a country where the population rose 2% to over 11 million last year and where unemployment in November 1964 was only 0.8% of an estimated work force of some 4.5 million people.

Market demand expands

These conditions have been accompanied by an expansion in the market demand for a wider variety of goods and services.

With an almost ideal investment climate, foreign investment continues to rise sharply. The value of investment totaled over $500 million in 1962-63, an increase of nearly 50% over the previous year. Estimates indicate that this year investment is running well ahead of the $500 million annual rate of last year.

The joint U.S.-Canadian share of the 1962-63 total was over 40% or about $204 million.

U.S. exporters probably will continue to sell increasing quantities of raw materials, capital equipment and components for Australia's new and developing industries.

Hong Kong

Businessmen face year ahead with optimism, continuing interest in securing new products

By RICHARD N. KIRBY
Far Eastern Division, BIC

Imports, Jan.-Sept. 1964

Total imports	$1,109 million
From U.S.	$ 133 million
U.S. share	12%

Exports, Jan.-Sept. 1964

Total exports	$741 million
To U.S.	$152 million
U.S. share	20%

Hong Kong's chief imports from U.S.:

Fruits, vegetables, tobacco, cotton, soybean oil, pharmaceuticals, plastics, air conditioning equipment, machinery.

Chief exports to U.S.:

Textiles, clothing, toys, imitation jewelry, travel goods, transistor radios, flashlights, plastic flowers.

During a prosperous 1964, Hong Kong's industries continued to grow and flourish, its products enjoyed access to markets around the world, and vigorous trade promotion efforts in Latin America, Africa, the Middle East and Asia now are paying off in terms of expanded exports as well as re-exports.

U.S. exports to Hong Kong last year exceeded all previous records and prospects for further gains in 1965 are excellent.

The fast pace of construction and plant expansion was everywhere apparent during 1964 as commercial, financial and industrial enterprises took full advantage of the Colony's unique geographic, financial and trade situation.

Banks, including U.S. subsidiaries, increased in number and expanded facilities for foreign trade during 1964. Joint ventures, matching much of an increased inflow of capital with imported know-how, industrial raw materials, and capital equipment, swelled the number of firms seeking the Colony's efficient Chinese labor and entrepreneurial skill to produce goods for world markets.

Imports high

These developments help account for the fact that Hong Kong's imports for the first nine months of 1964 amounted to $1.1 billion, a 17.3% increase over the comparable period of 1963. Recent trends in exports and re-exports confirm the Colony's ability to cultivate world markets.

Business and industry faces 1965 with cautious optimism, due in part to some misgivings that the upward trend of virtually every economic indicator can continue indefinitely.

Moreover, the probable impact of the United Kingdom's 15% surcharge on the Colony's exports to Britain, Hong Kong's second best export market, and the possibility of an outflow of capital from Hong Kong following the increase in the British bank rate, have caused considerable concern.

However, there is a lack of early trade figures or of any accurate reports on capital movements to support these misgivings. Industry has enjoyed significant success in recent years in diversifying its export markets and in producing goods attractive to African and Asian buyers. Prospects that this success will continue to offset any setbacks in its traditional markets are seen to be good.

The Hong Kong Government enjoyed an unprecedented budgetary surplus in the last financial year, and the outlook for another surplus in financial year 1964/65 is optimistic. Thus, the Government certainly will maintain its policy of minimal interference in the affairs of business and industry and, even with a leveling off or slight downturn in trade, it is expected that the Government will continue to support vigorously the principle of "trade not aid."

U.S. exporters appear to have the best prospects for increased sales of such basic items as raw cotton, tobacco, polyethylene and polystyrene molding compounds, synthetic fabrics, and lubricating oils for established industries.

Prospects for sales of machinery, equipment and parts, and in some cases for raw materials, appear best in the following industries which have been identified by the Hong Kong Government as the most promising growth industries (prospects for U.S. sales stated in parentheses):

Electronics, (transistors, tools and testing equipment); printing, (papers and inks); dyeing and finishing woolen textiles, (chemicals); enamelware, (enameling materials); clocks and watches, (tools, non-ferrous metal); plastic wares, (plastic molding compound and resins); foodstuffs and beverages, (packaging machinery); and extruded aluminum shapes and sections, (extrusion presses).

During the first nine months of 1964, imports from the U.S. increased by 34% from $99.9 million to $133.4 million compared to the same period 1963.

The U.S. share of the market recovered from losses suffered in 1962 and 1963, and was just slightly below the 12.2% record share of 1961. The U.S. again became the Colony's third most important supplier, ranking behind Communist China and Japan and ahead of the United Kingdom.

New products always sought

Secondly, the market comprises the Hong Kong industrialist, who often has the machinery and equipment of a dozen countries in his plant and always seeks new opportunities. Price, after-sales-service, credit, and availability of parts, are among the factors enabling an agent or distributor to close a sale. It is important to remember that the equipment of a foreign competitor in a plant does not preclude the introduction of other equipment.

The third market is the entrepot trade. Hong Kong is the market place for Southeast Asia, and buyers from throughout the area continually canvass it by mail and in person for requirements and the latest products. The facility with which small orders can be filled by Hong Kong distributors is an important consideration for many U.S. firms seeking better market penetration in Southeast Asia.

To follow up its very successful Trade Mission to Hong Kong in late 1963, the Department of Commerce has recently released its broad-scale market survey, entitled: "Hong Kong—A Market for U.S. Products."

To maintain the momentum and to ensure the continued increase of U.S. exports to Hong Kong, the Bureau of International Commerce plans to send another Trade Mission to the Colony in the fall of 1965.

Indonesia

Trade stagnates as economy deteriorates; Government actions jolt businessmen

By M. VIRGINIA WEBBERT
Far Eastern Division, BIC

U.S. exports to Indonesia

January-September 1964	$47 million
January-September 1963	$77 million
Decrease	39%

U.S. imports from Indonesia

January-September 1964	$127 million
January-September 1963	$ 86 million
Increase	48%

Chief U.S. exports:
Transport equipment, machinery, rice, iron and steel products, petroleum products.

Chief U.S. imports:
Crude rubber, crude petroleum, coffee, tea, spices.

Source: U.S. Bureau of the Census.

The outlook for U.S. trade with Indonesia remains discouraging as Indonesian exports continue to sag and an increasingly large share of already scarce foreign exchange earnings are obligated to service foreign indebtedness. Total Indonesian imports in 1964 were probably at their lowest level for the past five years, and were largely financed by the automatic foreign exchange allocations granted to exporters, which could be purchased only at high prices or by deferred payment arrangements.

The continued deterioration of the economy is reflected in external payments problems, low foreign exchange reserves (a bare working minimum of possibly $30-50 million), inflation, uncertainties affecting foreign and domestic business, and stagnant industrial output. The external borrowing which has financed the payment deficits will add to the future repayment burden and no improvement in the balance of payments is in sight.

Business confidence shaken

Budget deficits amounting to 40 to 50% of total expenditures are being financed by further note issues, including new notes in the 10,000 rupiah (Rp.) denomination. By December, inflation and a general lack of confidence had sent the black market rate for dollars in Djakarta soaring to Rp. 9,000 per U.S. dollar for some transactions. The rate was Rp. 1,500 at the beginning of 1964. Despite official denials, rumors of President Sukarno's illness are contributing to the instability.

Business confidence has been further shaken by the Government's takeovers of British investments, the hostility of local Communist labor and youth groups to U.S. business and cultural activities, and the frustration experienced by traders in operating under confusing and restrictive trade regulations. The sudden abolition of the nine state trading companies which handled 60% of imports, and the creation of six others with different allocation of responsibility has caused further upheaval in the trading community.

Indonesian Government policy is heavily oriented toward export expansion and import limitation. Import priority is given to essential consumer goods, raw cotton, fertilizers and newsprint, and to raw materials, semi-finished goods and equipment (including transportation and communications equipment) which will save or earn foreign exchange.

U.S. exports to Indonesia fell to $46.9 million in the first three quarters of 1964, almost 40% less than in the same period of 1963. The drop was due mainly to reduced shipments of Food for Peace commodities such as rice, raw cotton, and wheat flour. However, U.S. exports of capital goods to Indonesia were greater than in 1963, due to increased shipments of transportation equipment, mainly railway vehicles. Sales of iron and steel mill products were also slightly higher.

U.S. imports from Indonesia rose to $126.9 million in the first three quarters of 1964, nearly 50% higher than during the same 1963 period, mainly because Indonesia's ban on trade with Malaysia resulted in more direct rubber shipments to the United States. U.S. imports of crude rubber from Indonesia more than doubled; these and larger purchases of coffee, tea and spices more than offset a slight fall in crude petroleum imports and the end of U.S. tin purchases.

Malaysia trade ban

Sufficient Indonesian data are not yet available to estimate total 1964 trade. Both petroleum and rubber exports, which comprise three-fourths of the total export value, were probably below their 1963 levels of $269 million and $244 million, respectively. Both commodities were hurt by Indonesia's ban on trade with Malaysia, although the effect of banning rubber exports was not as serious as first feared.

Increased domestic consumption of petroleum products and falling rubber prices also contributed to the decline.

On Oct. 31 the Government imposed a surcharge of Rp. 1,350 per U.S. dollar on most commmodities imported with official foreign exchange allocations on a cash or deferred payment basis, making an effective exchange rate of Rp. 1,600 per U.S. dollar.

The cost of importing with automatic foreign exchange allocations known as SPP's also continued to increase. SPP's could be purchased through private channels in late November at Rp: 5,000 per U.S. dollar.

Since March 1964, Bank Indonesia has been reluctant to authorize letters of credit except on deferred payment terms of at least one year at 5% interest. While Japan, the United Kingdom, West Germany, Italy, Australia and the U.S. have at least partially insured exports from private companies to Indonesia, their willingness to insure under increasingly difficult economic circumstances is diminishing. The Netherlands Government, however, promised last July to provide $27.8 million worth of export credit insurance for Dutch exports to Indonesia during 1965.

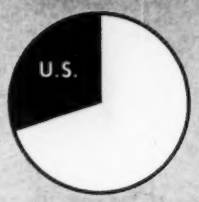
Effective Nov. 26, the Government of Indonesia put all British-owned enterprises formerly under Government "supervision" under its direct control and management. By year-end most foreign personnel employed by British businesses had departed. Internationally owned Shell Oil Co., now under a Dutch manager, is the only foreign firm with British capital not affected.

Except for the oil companies, afforded security by their contracts as agents of Indonesian companies, the future of U.S. investments depends on the continued willingness of the Indonesian Government to protect their present status.

Japan

Sales records may be shattered this year but some slips are showing in the market

By NORMAN D. GLICK
Far Eastern Division, BIC



Imports, Jan.-Sept. 1964

Total imports	$5,914 million
From U.S.	$1,769 million
U.S. share	30%

Exports, Jan.-Sept. 1964

Total exports	$4,612 million
To U.S.	$1,301 million
U.S. share	28%

Japan's chief imports from U.S.:

Grains, scrap metals, cotton, industrial machinery, soybeans, coal, logs, organic chemicals, petroleum, calculating machines, aircraft and engines, chemical wood pulp.

Chief exports to U.S.:

Iron and steel, radio and TV receivers, clothing, cotton and woolen fabrics, toys, footwear, motorcycles, frozen and canned tuna, plywood, pottery, fasteners, sewing machines.

U.S. exports to Japan this year may better the record performance of 1964.

In spite of measures the Japanese Government undertook last year to hold down imports and overcome an aggravated balance-of-payments problem, U.S. exports to Japan during the first nine months of 1964 amounted to $1.4 billion, according to U.S. Census statistics.

This was an increase of 14.2% over the corresponding period in 1963, and indicates an annual high approaching the $2 billion mark.

Most commodities last year scored export gains. Machinery and transport equipment, however, were affected by the tight money policy which inhibited plant and equipment investment. U.S. exports in this category showed a decline of 5.1% compared with the same period in 1963.

Prospects improve

The Japanese Government, comforted by the prospect that total exports will surpass the export target of $6,200 million set for fiscal 1964, has continued its program of substantially relaxing its trade restrictions.

Furthermore, the prospects of a gradual easing of the tight money policy appear favorable. Estimated foreign exchange needs to cover the import of non-liberalized items (those subject to the Import Quota System) for the period from October 1964 to March 1965 were set at $725.7 million, an increase of 10.4% over the previous six-month period.

Going up

As a result of these factors, U.S. exports to Japan in 1965 may exceed the 1964 figure. Machinery and transportation equipment should recapture some lost ground.

The greatest impetus to U.S. exports to Japan is Japan's continued economic growth and its need for increasing imports of raw materials and capital equipment to maintain this growth.

Japan's gross national product for fiscal 1963 was $63 billion, an increase of 12.3% in real terms over fiscal 1962. The Economic Planning Agency anticipates a 10% increase in fiscal 1964, and a 7.9% rate of growth in fiscal 1965.

The economy's vitality is reflected in the production index which continues its upward climb. The average production index (1960=100) for all industries during the first six months of 1964 was 163.1, with manufacturing industries alone reaching 166.0. This compares with 134.6 for all industries and 135.7 for manufacturing in the corresponding period of 1963.

Mid-1964 was a time of crisis for some Japanese firms which felt dislocations and strains engendered by earlier high growth rates. Inventories in some areas are high, small-business bankruptcies are causing concern as the growth rate levels off, and further consumer price hikes are expected.

Nevertheless, business confidence is demonstrated by plans for additional investment. Planned new plant and equipment investment will amount to $4,943 million for fiscal 1964, an increase of 20.2% over the actual total for fiscal 1963.

Under the impact of labor shortages and concomitant rises in labor costs, Japanese industry is increasing its investment in labor-saving equipment and automated processes.

At the same time, rising living standards have created a broad-based consumer market interested in quality consumer goods. With the Japanese worker enjoying more leisure time and a greater income, the demand for leisure goods is also increasing.

Fair feature

In order to take advantage of these developments, the U.S. exhibit at the Tokyo International Trade Fair, April 16-May 6, will feature leisure goods and introduce U.S. companies to this expanding facet of the Japanese market.

The U.S. can expect an increased Japanese demand for industrial materials, including ferrous and non-ferrous scrap; iron ore; coal, logs and lumber; organic chemicals; agricultural products, such as cotton and leaf tobacco, and animal products necessary to maintain increasing industrial production.

Plant expansion and modernization will create a demand for construction materials, sophisticated industrial machinery and automated processes.

Japan is the second largest foreign market for U.S. goods and will retain this position in 1965. The U.S. share of Japan's imports, however, has shown a gradual decline over the past few years. It was 34.6% in 1960, 32.1% in 1962, 30.8% in 1963 and down to 29.9% for the first nine months of 1964.

Spurting with steel

The continuing development of Japan's iron and steel industry, now the third largest in the world, was responsible for a spurt in imports of ferrous scrap from the U.S. Imports in the first nine months of 1964 amounted to $135 million, 54% greater than for the corresponding period of 1963.

Other major items for which import increases from the U.S. exceeded the rate of increase for Japan's purchases from all sources were raw cotton, wheat, coal, conifer sawlogs, corn, organic chemicals and petroleum.

Industrial machinery, formerly the leading U.S. export item, fell to third place with sales of $119 million, representing a decline of 14% as compared to an overall drop of only 8% in Japan's industrial machinery imports.

Korea

Imports expected to rebound after sharp drop in '64; investment outlook bright

By JOYCE C. BACHMANN
Far Eastern Division, BIC

Imports, Jan.-Aug. 1964

Total imports	$242 million
From U.S.	$114 million
U.S. share	48%

Exports, Jan.-Aug. 1964

Total exports	$73 million
To U.S.	$23 million
U.S. share	32%

Korea's chief imports from U.S.:
Grains, cotton, fertilizers, machinery, transport equipment, petroleum, logs, rubber, iron and steel products.

Chief exports to U.S.:
Veneers, plywood, raw silk, cotton fabrics, hair, bristles, clothing, marine products, footwear, tungsten.

After a sharp drop in 1964, the Republic of Korea's overall import level this year should expand significantly and may approach the 1963 record of $560 million. The United States, which will retain its position as the country's major supplier, is consequently expected to increase its sales to Korea, although its nearly 50% share of the market may be slightly reduced.

The decline in South Korea's total imports last year was mainly due to falling imports of food grains following bumper harvests, as well as Government efforts to curtail imports and conserve foreign exchange. The dip in foreign purchases also reflects the devaluation of the currency by almost 50% on May 3.

The continued favorable outlook for the U.S. in the Korean market mirrors the expected high level of U.S. aid (over $200 million in fiscal 1965), even though aid levels are to be reduced over the long run. Furthermore, Korea's increased attention to export expansion helped boost 1964 exports well ahead of 1963, and should make more of Korea's own foreign exchange available for overseas purchases. Increased purchases of raw materials will be needed to replenish inventories drawn down last year.

Based on preliminary figures, Korea's gross national product (GNP) increased by almost 42% in current prices in 1964 to a level of $2 billion. The increase reflects rapid price rises previous to the devaluation and a 10% increase in the month after. In real terms, the increase was estimated at 5% for the year, with per capita GNP being about $73. The Korean Government hopes for a similar 5% rise in GNP this year.

Stabilization proceeds

Greater economic stability is being achieved despite continuing political difficulties. The Government's five-year economic development plan emphasizes export promotion, tax reform, increased food production, industrial development, and a four-point financial stabilization program designed to check inflation. In most of these areas, Korea has made significant improvements. A tax reform—needed to increase government revenue—is being studied, and a review of the tax administration has been published.

The financial stabilization program met most of its targets for 1964, and has somewhat arrested the inflationary trend which has been evident in recent years.

Korean imports, decreasing for the first time since 1959, fell by 36% in the first 10 months of 1964 below the same period in 1963. Exports, however, were nearly 30% higher. Preliminary data indicate that the severe trade imbalance of nearly 6 to 1 in 1963 dropped to less than 4 to 1 in 1964.

The continuous growth of exports has been aided by the devaluation and by vigorous government promotion, such as export goals for all overseas missions and efforts to conclude trade agreements with all countries having diplomatic relations with Korea.

Imports down

The U.S. share of the total import market fell to 49% in January-September 1964, from 51% for the same period of 1963. In line with the downward trend of total Korean imports, total purchases from the U.S. decreased by 35% to $140.2 million. Although aid-financed imports from the U.S. fell in actual value (from $153.7 million to $88.5 million), the proportion of aid-financed commodities procured in the U.S. during this period climbed to a record 94% from the overall 1963 figure of 85%.

At the same time, the U.S. share of the more competitive commercial imports financed with Korea's own foreign exchange (KFX) rose from 13% in 1963 to 22% in the January to September 1964 period. Purchases from the United States with KFX in the first three quarters of 1964 amounted to $29.4 million, compared to $26.8 million in the same period of 1963.

The rise in the U.S. share of commercial imports indicates greater competitive power in the face of aggressive sales techniques by businessmen from Western Europe and Japan, with the latter accounting for over 43% of Korea's non-aid imports in the first nine months of 1964. Current negotiations for normalizing diplomatic relations between Japan and Korea will probably result in U.S. exporters facing greater competition from Japan.

Several AID development loans were granted in 1964, with the most recent ones being a $2.4 million loan for the expansion of the Taegu waterworks and $8.4 million for telecommunications activities. Other AID loans are under consideration.

The Korean Government has approved draft agreements submitted by two separate groups of U.S. firms planning to use Cooley Loan funds for construction of two compound fertilizer plants, each with an annual capacity of 186,000 metric tons. A tentative agreement for a joint U.S.-Korean investment in a barley straw pulp plant was signed last spring.

Additional Cooley Loan applications are under review, and one has been approved for a mink farm which will be one of the first joint ventures in Korea between two private firms.

With the opening of Korea's fifth cement plant; construction of its first paper pulp plant with a 30-ton daily capacity; the initiation of full production at its second fertilizer plant; sufficient electric power to meet demand; and the coming-on-stream of its first oil refinery, rated at 35,000-barrels-a-day-capacity, the potential for profitable joint ventures in Korea seems significantly improved.

Malaysia

New nation shows steady economic growth despite its difficulties with Indonesia

By LOUISE H. HILLSON
Far Eastern Division, BIC

Malaysia, formed in September 1963 through the merger of Malaya with Singapore, Sabah and Sarawak, offers an increasingly promising field for U.S. goods, services and capital.

The new nation continues to show steady progress in economic development. The growth was highlighted by a recent Government announcement that the Malaysian gross national product had risen from $2,925 million in 1961 to $3,220 million in 1963. With prices remaining relatively stable, the economic growth rate more than offset the high annual 3.2% population increase. Since late 1963, however, the Malaysian economy has been adversely affected by Indonesian military and economic pressure and declining rubber prices.

Imports,* Jan.-Sept. 1964

Total imports	$1,046 million
From U.S.	$ 64 million
U.S. share	6%

Exports,* Jan.-Sept. 1964

Total exports	$921 million
To U.S.	$120 million
U.S. share	13%

Malaysia's chief imports from U.S.:
Machinery, tobacco, petroleum, paper, paperboard, metal manufactures.

Chief exports to U.S.:
Tin and rubber.

* Malaya and Singapore; Sabah and Sarawak not included.

Loss is offset

In Singapore, which has borne the brunt of an Indonesian trade boycott, continuing industrialization and a construction boom have helped to offset the loss of Indonesia's trade.

New industries in Malaya include two cement factories (which should make Malaysia self-sufficient in cement), a sugar mill, a government-sponsored pineapple cannery and a plywood factory. In Singapore, plants producing wearing apparel, tanned leather, foodstuffs, bottle caps, bolts and nuts have recently opened.

Malaysia's first steel mill, at the Jurong Industrial Estate in Singapore, is anticipating an expansion, and plans are going forward for the establishment of a steel mill in Malaya. Progress also is being made in the less developed areas of Sabah and Sarawak, with Central Government assistance in rural development and transportation and communications improvement.

The economic development of the Malaysian areas offers opportunities for U.S. exporters of heavy industrial machinery, electrical machinery, earth-moving and construction equipment and tractors. The United States has been a leading supplier of these products to the Malaysian market, but faces strong competition, particularly from the United Kingdom, Japan and West Germany.

The steadily growing purchasing power of the Malaysian population should also provide an increasingly favorable market for such American goods as metal manufactures, chemical products, air conditioning and refrigeration equipment, textiles and paper products.

An expanded Malaysia-wide market for U.S. exports and investments is being created as the Malaysia Common Market Agreement begins to be implemented. The first list of goods proposed for inclusion in the Common Market has been announced.

The Malaysian Government also is taking steps to harmonize the taxation provisions of the Malaysian areas. New taxes have been proposed to help finance additional defense and development expenditures.

At present, each of the Malaysian areas has its own pioneer industries incentive program. The Government is taking steps to harmonize into a single law the provisions for pioneer industries for Malaysia as a whole, while preserving tax exemption rights already granted to industrialists under existing legislation.

Malaysian trade declines

During the first nine months of 1964, Malaysian trade declined from 1963 levels. The most important causes were loss of trade with Indonesia—including both direct Malaysia-Indonesia trade and transshipments—and a decline in rubber prices. The development of new import-substitute industries in Malaya and Singapore may also have contributed to the decline in imports.

Because figures on the total external trade of Malaysia are not available, trade statistics in this report cover only the States of Malaya and Singapore.

Imports into Malaysia dropped from $1,263 million in the first nine months of 1963 to $1,046 million in the comparable period of 1964, a decrease of 17%. Exports declined by 19%, from $1,141 million to $921 million. Imports from the United States declined from $70 million to $64 million, or by 10%, while exports to the United States went from $160 million to $120 million, down 25%.

The U.S. share

Although imports from the U.S. declined during this period, the U.S. share of the Malaysian market—currently measuring 6.1%—is greater than in 1963.

As a source of Malaysian imports, the U.S. is fifth behind the United Kingdom, Japan, Thailand and Communist China. Australia ranks next behind the U.S.

As a market for Malaysian exports, the U.S. is second to Japan.

The Malaysian areas are relatively free of import controls and most tariffs are moderate. During 1964, however, the Malaysian areas raised some of their tariffs and Singapore imposed some additional import controls to protect domestic industries.

The Malaysian areas have also imposed some temporary import controls on the first list of products proposed for inclusion in the Malaysian Common Market (INTERNATIONAL COMMERCE, Dec. 14, 1964).

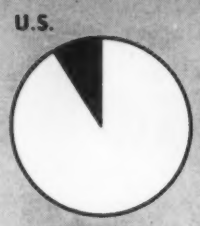
The Government recently issued an order forbidding ships and planes carrying military equipment to Indonesia to use Malaysian ports and air fields.

U.S. investors have found Malaysian investment climate increasingly attractive. The Chase Manhattan Bank has opened a branch in Kuala Lumpur. Esso Standard (Malaya) Ltd. is developing an ammonia plant at Port Dickson in Malaya.

New Zealand

Expanded import licensing, favorable market forecasts lend optimism to trade prospects

By JOHN S. KOVALESKI
Far Eastern Division, BIC



Imports, Jan.-June 1964

Total imports	$422 million
From U.S.	$ 39 million
U.S. share	9%

Exports, Jan.-June 1964

Total exports	$629 million
To U.S.	$ 79 million
U.S. share	13%

New Zealand's chief imports from U.S.:
Machinery, crude fertilizers, chemicals, plastic materials, textile fabrics, transport equipment.

Chief exports to U.S.:
Meats, wool, hides, skins, casein, dairy products, fish.

Economic conditions in New Zealand are good and the demand for U.S. products, particularly industrial raw materials and capital equipment, is expected to be heavy during the year ahead.

Import license allocations have been increased by some $70 million to accommodate the needs of New Zealand's expanding economy. Reasonably firm world wool markets at favorable levels, ready demand for dairy products, and record lamb prices accompanied by a sharp decrease in the world supply of beef all have contributed to New Zealand's prosperity. Increased export earnings, principally due to higher prices on foreign markets, are expected to continue for a third successive year.

Merchants are very optimistic about commercial prospects in 1965, particularly with expanded import license allocations and favorable international market forecasts. Industrial output is steadily accelerating. Manufacturers and agricultural producers, operating at near capacity, are achieving record sales and planning increased expansion and diversification expenditures. The economy is buoyant and demand is high.

U.S. sales rising

U.S. exports to New Zealand in the first nine months of 1964 were $63.9 million, a 16% rise over the comparable period in 1963. Total New Zealand imports were up 8.4% and are expected to total approximately $900 million in 1964.

U.S. exports to New Zealand showing significant increases in 1964 were: textiles, yarns, and fabrics; agricultural machinery and implements; construction equipment; unmanufactured tobacco; and specialized machinery and equipment.

The increasing interest of local merchants and importers in U.S. goods was evidenced by sales of U.S. products at the recent Wellington International Trade Fair. These exhibits, accompanied by a Bureau of International Commerce Business Information Center, resulted in new business totaling more than $840,000.

The import licensing system provides the greatest leeway for those imported goods which will contribute to New Zealand's export drive, save expenditure on imports, or expand the nation's industrial base.

Best prospects for U.S.

The best prospects for increased U.S. sales under this regime are timber, shaped or simply worked; synthetic and artificial fibers; sulphur and iron pyrites for fertilizer manufacture; potassic fertilizers; chemicals; medicaments; regenerated cellulose and artificial resins; disinfectants and weedkillers, in bulk; paper and paperboard; cotton and other textile fabrics; basic iron and steel products; hand and machine tools; agricultural, dairy, printing, excavating and pulp and papermill machinery; control and measuring apparatus; automotive parts; and light aircraft.

By 1980, superphosphate use should treble and utilization of muriate of potash will rise five-fold. The increased use of fertilizers will entail expansion in agricultural aviation. A buoyant market exists now, and for the foreseeable future, for U.S. fertilizer raw materials and increased sales of small aircraft suitable for top-dressing.

Launching new industries

A feasibility study on the establishment of an iron and steel industry in New Zealand from indigenous iron sands is nearly complete. The study recommends a domestic industry with an initial output of bar and rod of 100,000 to 200,000 tons per year with steady long-term expansion into other products and associated industries.

Extensive programs are being undertaken to develop other indigenous resources in many sectors of the economy. U.S. firms now are conducting engineering surveys and market studies on the development and utilization of the Kapuni natural gas resources.

The inauguration of commercial jet flights to New Zealand later in the year will require large expenditures on imported restaurant, bar and hotel equipment to cater to the expected influx of tourists.

Electric power output is to be doubled in the next decade. Substantial contracts for hydroelectric power schemes are to be announced within the year, including the Tongariro scheme (2,300 million kwh capacity) which will ultimately cost $200 million and have an annual output of 2.3 billion kilowatt-hours. Tenders are also expected to be called in 1965 for a 5½ mile long railway tunnel through the Kaimai Range.

More import licenses

The overall limitation imposed by the import licensing system has been increased by approximately $70 million to a total of $800 million. More import licenses are provided for manufacturer's raw materials.

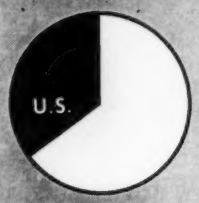
General commodity groupings pinpointed for larger import allocations are electrical distribution; commercial vehicles; agricultural chemicals; joinery and furniture timbers; dried fruit; oranges; nonferrous metals; and spare parts for a wide range of machinery and equipment.

Ten items were newly exempted from licensing. They are molasses; mustard flour; crude gypsum; crude rubber; raw tanning materials; mineral (medicinal) oil; timber preserving preparations; uncompounded rubber; match splints; and meat wraps. These amendments should give U.S. exporters greater leeway to service the country's import needs.

Philippines

Declining duty preferences dim prospects for another record trade year like 1964

By KENNETH A. GUENTHER and MARCIA A. SPRINKLE
Far Eastern Division, BIC



Imports, Jan.-June 1964

Total imports	$381 million
From U.S.	$167 million
U.S. share	44%

Exports, Jan.-June 1964

Total exports	$383 million
To U.S.	$189 million
U.S. share	49%

Philippines' chief imports from U.S.
Machinery, transport equipment, textiles, raw cotton, chemicals, plastics, wheat.

Chief exports to U.S.
Sugar, coconut products, cotton manufactures, logs, lumber (plywood), abaca.

Although total U.S. trade with the Philippines reached record levels in 1964 and the United States will remain the principal foreign supplier of the Philippine market in the foreseeable future, the prospects for further expansion of U.S. exports to the Philippines in 1965 are not encouraging.

On Jan. 1, the duty preferences which each country accords the products of the other under the Revised U.S.-Philippine Trade Agreement were reduced, as were the duty-free import quotas guaranteed various Philippine exports by the United States. These declining trade preferences are likely to dampen export prospects in both markets. Additional upward adjustments in across-the-board Philippine tariff rates also appear likely in 1965.

Preferences decline

On Jan. 1, U.S. goods entering the Philippine market became subject to 90% of the standard Philippine tariff as compared with the 75% level in effect in 1962-64. This was the last upward tariff adjustment U.S. suppliers will face in the Philippines prior to the expiration in 1974 of the Revised Trade Agreement (also referred to as the Laurel-Langley Agreement).

The higher duties assessed on U.S. goods are expected to increase their price in the Philippine market place to the benefit of our chief competitors in the Philippines—Japan, West Germany, the United Kingdom, the Netherlands and Australia.

In turn, the U.S. tariffs applied to Philippine goods, which are scheduled to be phased out more gradually under the Trade Agreement, were increased from 20% to 40% of regular U.S. rates. The duty-free import quotas on such Philippine exports as coconut oil, scrap and filler tobacco, cigars and buttons were reduced.

Growth rate slows

The 1963 Philippine gross national product was estimated at approximately $4.3 billion, representing a real growth rate of 4.8% over 1962, but somewhat below the 5.5% annual growth called for in the Five-Year Socio-Economic Plan.

A slackening in the growth rate during 1964 has been attributed to shortfalls in both public and private investment goals. This year, general economic and political uncertainty is expected to increase as the Philippines becomes involved in its presidential campaign prior to the November 1965 elections.

Debate continued regarding the role of foreign investors in the Philippine economy. Late in 1964, proposed foreign investments on a joint venture basis in banana production for export and cement production came under critical fire and may have to be abandoned.

In addition to the investment debate, there is concern over the effect the phasing out of tariff preferences will have on Philippine exports to the United States.

Various proposals for renegotiating the Laurel-Langley Agreement have been put forward by Philippine groups. Following the State visit of President Macapagal to the United States, President Johnson and President Macapagal agreed that their Governments should continue their studies relative to the Agreement.

U.S. market share cut

Philippine statistics indicate that the U.S. share of the Philippine market fell to a low of 41% in 1963. While year-end 1964 Philippine statistics are not yet available, it is believed that the U.S. market share increased slightly in 1964.

U.S. products which appear to have excellent market potential in 1965 include raw cotton, wheat, electrical and industrial machinery, transport equipment, synthetic textiles, miscellaneous chemical and plastic products and food products.

In 1963, Philippine imports of machinery and transport equipment from all sources reached $209 million or more than one-third of total Philippine imports of $618.2 million. Philippine statistics indicate that of this $209 million total, U.S. exports accounted for $111.5 million or 53%. The market for household and office equipment and canned food products is also expanding rapidly, offering growing opportunities to U.S. suppliers.

Philippine exports to the United States have increased steadily in the 1960's despite the slightly declining trade preferences in the U.S. market, and should exceed $350 million in 1964—an all-time high. However, in 1965 the effective rates of U.S. duty assessed on imports from the Philippines will be double the 1964 rates and duty-free import quotas will decline to the probable detriment of the Philippine export position.

U.S. trade promotion

To help U.S. suppliers adjust to the changing market conditions in the Philippines in 1965, the Bureau of International Commerce has planned these three programs:

- A Trade Mission to the Philippines Feb. 20–March 20, visiting important Philippine cities and presenting specific business proposals from U.S. businessmen.
- A sample display service in the U.S. Embassy in Manila, featuring products with a high market potential as recommended by the Commercial Attache and for which Philippine distributors will be sought.
- Publication of a survey of the market for U.S. products in the Philippines, emphasizing the market potential of selected sectors of the Philippine economy, analyzing competition in the Philippine market, and describing distribution channels and trade regulations affecting imports.

Taiwan

Rapid economic expansion, easing of import controls create demand for raw materials

By TADD A. LINSENMAYER
Far Eastern Division, BIC

Imports, Jan.-June 1964

Total imports	$179 million
From U.S.	$ 63 million
U.S. share	35%

Exports, Jan.-June 1964

Total exports	$253 million
To U.S.	$ 44 million
U.S. share	17%

Taiwan's chief imports from U.S.:
Cotton, soybeans, metals and products, machinery, wheat, petroleum products, transport and communications equipment, air conditioners, auto accessories.

Chief exports to U.S.:
Plywood and lumber, sugar and manufactures, textile fabrics, clothing, mushrooms, preserved fruits, citronella oil.

If present trends continue, Taiwan will import close to $400 million worth of goods in 1965—a record amount—and will export even more.

The share of imports the U.S. will be able to supply depends largely on the ability of U.S. suppliers to adjust to new conditions of stiffened competition as the U.S. aid program phases out by June 30.

Continued rapid economic expansion and a general relaxation of import controls by the Chinese Government create an increasing demand for imported raw materials, capital equipment, and essential consumer goods. Imports of luxury goods will probably remain under tight controls.

Taiwan has maintained one of the highest growth rates in Asia over the last decade. This has been partly the result of three successive Four Year Economic Development Plans, and partly from the more than $1.3 billion in economic assistance supplied by the U.S. since 1951.

Real gross national product has grown at an average annual rate of 7% since 1953, agricultural production at 4%, and per capita income at 3%.

Industries grow

Industrial production has grown even faster—about 12% each year, resulting in a transition in the economy from a traditional agricultural base to an industrial one. Further expansion of industry will be one of the principal objectives of Taiwan's fourth Four Year Plan.

A wide range of industries already exists here. These include many just started as a result of the discovery of extensive natural gas reserves.

To help stimulate development of industry in Taiwan, the Government recently announced plans to create three new industrial parks patterned after the first two successful pilot parks.

One direct result of this industrialization is the tremendous growth of exports and imports in recent years. In 1963, Taiwan's exports jumped by 50% over 1962, and for the first half of 1964, exports increased by 47% over the first half 1963 level.

This tremendous increase in exports gave Taiwan, in 1963, its first favorable trade balance since 1949, and led to an increase in gold and foreign exchange reserves amounting to over $300 million by September 1964.

With these substantial reserves, the need to conserve foreign exchange diminished, and the Foreign Exchange and Trade Commission (FETC) took steps to relax import controls, reduce protection of local industries, and liberalize the administration of the import licensing system.

Continued industrial growth will almost certainly create an increased demand for construction equipment and materials to build new plants, for machinery to equip these plants, and for raw materials to be processed into finished goods.

Specific opportunities should arise for conveying, lifting, and excavating equipment; heating and cooling equipment; sanitary and plumbing fixtures and fittings; hand tools; power generating and transmitting equipment; metal-working machinery and machine tools; machinery for food processing, leather working, printing, and wood working; office machinery; quality control and testing equipment; worked and unworked iron and steel, copper, lead, brass, nickel, and alloys; electronic components; watches and parts; and laboratory equipment.

U.S. position drops

Taiwan's total imports for the first half of 1964 were 8% or $14 million above the first half 1963 level. The U.S., however, was already feeling the impact of the aid phase-out as Taiwan's imports from the U.S. fell to $63 million, $13 million or 17% below the first half 1963 level.

This was the result of a $24 million or 60% drop in aid-financed exports from the U.S., only partially offset by an $11 million increase in non-aid financed exports. Japan made the largest gain as Japanese exports to Taiwan increased by $9 million to a total of $57 million.

Capital goods and raw materials formerly financed by U.S. aid will now have to be purchased with Taiwan's own foreign exchange.

Trade Mission planned

To take advantage of Taiwan's growing market, new efforts are needed to establish contacts with local manufacturers and importers, and to create an awareness of the high quality of U.S. goods, quality which would make production more efficient and the local Chinese manufacturer more competitive.

To create this awareness and to pinpoint areas in which U.S. goods would be most competitive, the Bureau of International Commerce has scheduled a trade mission for Taiwan in March-April 1965.

This mission will include experts in the fields of metal and woodworking equipment; food processing, packaging, handling, and refrigeration equipment; small agricultural equipment for general foreign trade; and small scale industries.

One encouraging note for the U.S. trade position in Taiwan is the opening of the first U.S. banks in Taipei. The First National City Bank of New York and the Bank of America both intend to open branches in Taiwan shortly.

These banks should act as a stimulus to increased U.S. trade. They should also help to encourage, along with the other recent measures taken to improve the investment climate there, additional U.S. investment in Taiwan.

Thailand

Imports, foreign investments expected to grow as attractive business climate spreads

By LARRY V. LUTHER
Far Eastern Division, BIC

This year promises to be an excellent one for U.S. commercial activities in Thailand, even though U.S. exports to that country in 1964 failed to reach the record total for 1963.

U.S. exporters and investors are exploring the rapidly-expanding Thai market in increasing numbers and with intensified effort. Imports and foreign capital investments are expected to grow, as the attractive business climate and potential for goods, services, and capital in Thailand becomes more widely known.

A rising tide of Thai economic expansion currently is being triggered by development loans, increased export earnings with a consequent rise in purchasing power, and a greater demand for capital goods from the expanding industrial sector.

Most Thai agricultural commodities are produced and exported in record quantities. Exports of rice—the country's primary foreign exchange earner are predicted to reach a total of 1.8 million metric tons for the crop year 1964-65, probably making Thailand the world's leading rice exporter.

Further liberalization

Efforts are being made to further liberalize the Thai investment law as U.S., Japanese, and German investors show a particular interest in the area. Government efforts to accelerate infrastructural development are conspicuous in many sectors.

A recent change in the tariff structure will decrease substantially rates on capital goods, providing additional incentive to Thai businessmen to modernize equipment and expand production facilities.

Financial indicators reflect considerable economic progress. The gross national product (GNP) continued to move ahead at a growth rate (in real terms) of more than 6% to reach an estimated $3.4 billion for 1964, up from the 1963 level of $3.2 billion.

Capital inflows had pushed the Government's gold and foreign exchange reserves to approximately $591 million by the end of September 1964.

Several large U.S. capital investment proposals, now pending, are also indicative of a growing realization of the country's long-range economic potential. Among these, a $34 million kraft paper mill and a multi-million dollar industrial estate venture may soon join a recently-established $10.5 million U.S. rubber and tire plant.

Further encouragement to U.S. entrepreneurs and suppliers lies in the accelerating infrastructure development program, which is opening new markets in transportation, communications, and power.

Large World Bank and Export Import Bank loans for highway and irrigation projects, railway modernization, and telephone and communications expansion provide new opportunities for aggressive suppliers.

In addition to numerous opportunities for investment and the supply of technical and engineering services, several broad categories of goods prove to be the mainstay of U.S. commercial penetration. Prospects for more sales are expected to continue primarily in the capital goods category, although many equally valuable and often unexpected opportunities exist in the field of consumer goods.

Trade deficit dropped

A continuing construction boom in Bangkok and to a certain extent in the provinces is providing excellent marketing prospects in building hardware and construction equipment.

Imports into Thailand during the first six months of 1964 reached nearly $344 million, a 14% increase over the first half of 1963. Thai exports during this period were valued at $312 million, 24% over the comparable period in 1963.

Thailand's customary trade deficit was substantially less than that incurred during the 1963 period. Imports from the U.S., at $58 million, represented 17% of the Thai market, slightly less than the U.S. share for the first half of 1963.

After several months of high-level study, the Thai Government announced initial changes in its tariff structure designed to foster the country's economic development and encourage private industrialization.

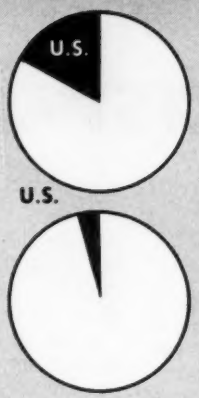
Import duties on machine parts and equipment for factories, agricultural machinery and implements, freighters and other vessels, and other capital goods were lowered or eliminated.

Trade promotion

Additional promotional incentive will be provided to enterprising U.S. businessmen by the Bangkok Trade Center exhibits planned for 1965. Several exhibits during 1964—in particular, those featuring air-conditioning equipment and automotive parts and accessories—exceeded the highest expectations for direct sales and new agency agreements.

It is anticipated that such shows as metal working equipment, and building materials and hardware will be equally productive in 1965. In addition to specific exhibit themes, continuing and rotating Trade Center displays of various products with a high market potential will be in operation throughout the year.

Unusually good results are also expected from the planned U.S. Trade and Investment Mission to Thailand in March-April 1965. Marketing and investment promotion will be focused on metalworking, sawmill, woodworking, food processing, refrigeration, agricultural, and packaging and handling equipment.



Imports, Jan.-June 1964

Total imports	$344 million
From U.S.	$ 58 million
U.S. share	17%

Exports, Jan.-June 1964

Total exports	$297 million
To U.S.	$ 13 million
U.S. share	4%

Thailand's chief imports from U.S.:

Beverages, tobacco, fuels, pharmaceuticals, chemicals, rubber products, textiles, machinery, construction and transport equipment, precision instruments.

Chief exports to U.S.:

Tapioca and cassava, crude rubber, lac, kapok, teak, gums, resins, and balsams.

Near East-South Asia

Development programs create demand for a wide variety of goods and services

By staff members
Near East-South Asia Division, BIC

The Near East-South Asia area, a market for approximately $2.3 billion in U.S. products in 1964—exclusive of sales of engineering and other services—promises equally good opportunities in 1965. The United States continues to be the principal supplier to most Near East and South Asian countries, as total exports to the area continue to mount.

Development programs are increasingly important in the area, and are creating projects both large and small which rely on imports of goods and services. Engineering companies are in demand, as are investors who provide know-how not locally available. U.S. and other foreign aid supplies a substantial part of these imports but by no means all of them. Even those countries receiving the largest assistance spend large sums of self-generated foreign exchanges to further their economic development.

The oil-producing countries, generally not aid receivers, are spending increasing amounts on large-scale development projects involving highways, power plants, reclamation, irrigation, telecommunications and transportation. Even in countries having foreign exchange difficulties, significantly large imports continue.

Finally, the continued need for food makes Food for Peace shipments of agricultural products a significant part of U.S. exports to the area, particularly to India, Pakistan, the UAR, Israel, and Turkey.

It appears that total U.S. exports to the area in 1964 exceeded the record $2.2 billion registered in 1963.

Buys 10%

The area buys about 10% of total U.S. exports, and a number of these countries look to the United States as their major supplier. India remains our principal customer in the area, increasing its imports from the United States more than 21% in the first 9 months of the year. Pakistan continued as our second most important market, and while purchases from the United States declined slightly, the drop was almost entirely due to a decline in Food for Peace grain shipments.

Based on U.S. export statistics, the United States is showing substantial export gains in India, Israel, Iran, Saudi Arabia, Iraq, Lebanon, Afghanistan, and the United Arab Republic. Exports to Pakistan, Turkey, Kuwait, Jordan, and Syria fell in 1964.

Food for Peace shipments of surplus agricultural commodities under PL 480 rose by about $50 million in the first 9 months of 1964 over the same 1963 period and contributed to an increase of $142 million in total U.S. exports to the area. This area is also a large purchaser of electrical and industrial machinery and equipment, iron and steel mill products, transport equipment (primarily trucks and passenger cars), chemicals, and medicinal and pharmaceutical preparations.

Aid an important factor

As developing nations, Near East and South Asian countries are undertaking industrialization and other development programs which require extensive imports of capital goods, engineering and other services, and investment capital.

U.S. exports to such countries as India, Pakistan, and Turkey, include large AID-financed shipments. Representing tied procurement, these sales are far easier to secure than would be possible under fully competitive conditions. Not all business is aid-financed, however, and U.S. firms should cultivate the more competitive portion of the area's trade.

Development programs throughout the area offer excellent opportunities for sales of goods and services. There is a compelling drive in each country to move forward as rapidly as possible with far-reaching plans for industry, roads, transportation, communications, housing, agriculture, schools, hospitals, and irrigation projects.

India is completing its third 5-year plan; Pakistan, its second; Iran is on its third 7-year plan; Turkey is completing the second year of a 15-year program; the UAR, the first half of a 10-year program; and Saudi Arabia and Iraq have both embarked on plans that call for very large expenditures.

State-created demand

The Saudi Arabian market is a good example of demand created by governmental emphasis on economic development projects. Road and port construction, land reclamation and irrigation, school and hospital construction, a new steel mill, and a petrochemical industry will bring new opportunities for Americans to sell many products in this often neglected, oil-rich economy.

Iraq is also spending large sums for development, with American companies enjoying notable success in signing "turnkey" and consulting contracts during the latter part of 1964. Exporters of drugs, chemicals, automobiles and spare parts, and tires were affected by last summer's unexpected nationalization which created government monopolies to import these products, and had to adjust their selling procedures as the government required that distributorship agreements be signed with the monopoly companies.

Although Kuwait's economic growth is leveling off, U.S. exporters continue to find good opportunities in this free, hard currency market. Sales were off slightly in 1964, but no drastic recession is anticipated as Kuwait continues to receive more than $400 million in oil revenues per year.

Israel's rapidly growing economy continued to expand during the past year, with the United States maintaining its position as principal supplier. An increase in the Israeli trade deficit during 1964 is causing concern, but no new direct restrictions on imports are being considered.

Afghan border reopens

U.S. exports to Afghanistan jumped sharply in January-September 1964 over the same period in 1963, reflecting the greater flow of AID goods after the reopening of the Pakistan-Afghanistan border. Contracts have already been awarded for the sale of American trucks under a $2 million AID loan approved during the last half of 1964.

U.S. machinery and vehicles, rubber manufactures, used clothing, and miscellaneous manufactured goods continue to enjoy wide popularity in Afghanistan.

Burma's complete nationalization of imports which was effected early in 1963 showed no adverse effects on U.S. exports. On the contrary, U.S. exports of $14.3 million in the first 9 months of 1964 were over 50% higher than in the same period of 1963. In part, this increase reflects inexperience and overbuying by the principal government importing agency, and a leveling off is expected in 1965.

India

Food, industrial goods rank among imports aiding vital programs of industrialization

By CELIA HERMAN
Near East-South Asia Division, BIC

U.S. exports to India in 1965 will equal, if not exceed, the record highs for 1964, continuing an upward trend since 1961.

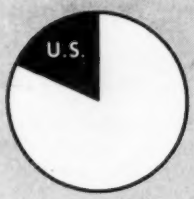
This strength in U.S. exports, however, is derived largely from massive shipments of wheat, rice, and other surplus agricultural commodities made available under U.S. Public Law 480. Of similar importance are sales generated under various U.S. aid loans to India, permitting the penetration of an otherwise highly restrictive but growing market.

According to U.S. statistics, U.S. exports to India for January-September 1964, amounted to $676 million, well ahead of the same period 1963. Foodgrains were a large component of this trade.

Other significant exports were to assist India in its industrialization program and followed the pattern of previous years. They included machinery of all kinds, iron and steel, non-ferrous metals, transport equipment, raw cotton, and petroleum products. They were sold almost entirely through U.S. loans to India by the Export-Import Bank or the Agency for International Development (AID).

Imports, Jan.-Aug. 1964

Total imports	$1,506 million
From U.S.	$ 439 million
U.S. share	29%



Exports, Jan.-Aug. 1964

Total exports	$956 million
To U.S.	$171 million
U.S. share	18%

India's chief imports from U.S.:
Grains, machinery, base metals, transport equipment, textile fibers, mineral fuels, lubricants.

Chief exports to U.S.:
Jute manufactures, cashew nuts, cotton textiles, tea, sugar.

U.S. leads suppliers

The U.S. is a strong first supplier to India, followed by the United Kingdom, Federal Republic of Germany, Japan, and the USSR. The same countries are the leading trading partners for Indian goods.

U.S. imports from India, estimated at $222 million for the first nine months of 1964, are running at about the same rate as 1963. As previously, jute manufactures accounted for the largest share of U.S. purchases. Cashew nuts, tea, sugar, fish, and cotton textiles were other items of interest to the U.S. market.

India's restrictive import policy has served to keep import levels from rising too drastically and to limit imports to those which the Indian Government considers essential. The import policy is announced annually for the fiscal year beginning April 1; no significant deviations are expected in the new policy for fiscal year 1965-66, since foreign exchange reserves remain low.

India's export promotional efforts have resulted in a brightening of the export earnings picture and a narrowing of the foreign trade deficit.

Overall industrial output continues to expand, despite shortages of raw materials and production limitations. Production registered a 6.4% increase for most of 1964, compared with 9% in 1963.

India plans to more than double investment expenditures for industry during the Fourth Five Year Plan (April 1, 1966-March 31, 1971). A preliminary memorandum on the Fourth Plan envisages a five-year investment of $11.8 billion for industry and mining, compared with $5.2 billion in the Third Plan.

This proposed investment would amount to about 25% of the total outlay of approximately $45 billion contemplated for the Fourth Plan. As part of the "broad framework of priorities," the investment strategy calls for completing industrial projects already undertaken; giving preference to the expansion of existing units over the establishment of new units; and giving increased attention to quickly maturing projects.

Investment encouraged

Following through on the interest in investment, the Bureau of International Commerce has scheduled a U.S. investment and Industrial Mission to India for Feb. 27-March 27. The Mission will visit four major cities: New Delhi, Bombay, Madras, and Calcutta. It will concern itself with the chemical, plastics, and synthetic fibers; machine tools; fabricated metal products; material handling machinery and equipment; and printing machinery industries.

The Indian economy as a whole is showing some improvement, but is not making the strides envisaged when the Third Five Year Plan (1961-1966) for economic development was drawn up. National income in the Indian fiscal year ending March 1964 rose to $29 billion, compared with $28 billion the year before.

At constant prices, this represented an increase of 4.3%, which was below the 5% average annual increase projected under the Third Plan although better than the previous two years. Per capita income is estimated at $63 per year.

Price-food pressures

Rising prices and pressures of the population for food were major problems facing the government during most of 1964. Agricultural production has remained virtually static for the past three years, while population (now estimated at 475 million) has grown at an annual rate of about 2.5%.

Long-range efforts to bring agriculture out of its inertia are being intensified. Fertilizer manufacturing facilities are being expanded and a drive is on to improve distribution and to educate the farmer on the use of fertilizers.

Boldest of the projects is the Bechtel proposal for a U.S. consortium to establish through joint ventures with the Indian Government five plants capable of producing one million tons of fertilizer. This would more than double current output. Bechtel's feasibility survey is to be completed early in 1965.

Relieving food problems

Other measures taken by the Government of India to relieve the food situation include support prices to food producers; ceiling prices on wholesale and retail sales of some farm commodities; and statutory price controls on certain cotton textiles.

The Food Corporations Bill introduced into Parliament provides for the establishment of a central government corporation and subsidiary state corporations to act as principal agencies to implement Government price and supply policies on food.

Iran

Accelerated imports stress need of raw materials, machinery, power equipment

By DAVID E. WESTLEY
Near East-South Asia Division, BIC

U.S. exports to Iran are up—1964 sales should be the highest since the peak year of 1960. American suppliers should do well this year, but the Iranian import policy for 1965 may include some new restrictions.

Stimulated by increased spending on economic development and by measures taken earlier to ease monetary policy, Iran's economy appears to have entered a new expansionary phase. The long-awaited upturn was accompanied, however, by strong pressures on prices and foreign exchange reserves and by a rising budget deficit. Although income from petroleum continued to rise, Iranian authorities instituted a number of precautionary and corrective measures to guard against the creation of an inflationary situation and to cope with new balance-of-payments problems.

Imports,* Jan.-June 1964

Total imports	$314 million
From U.S.	$ 54 million
U.S. share	17%

Exports,* Jan.-June 1964

Total exports	$65 million
To U.S.	$10 million
U.S. share	15%

Iran's chief imports from U.S.:
Machinery, transport equipment, vegetable oils and fats, wheat, drugs.

Chief exports to U.S.:
Crude petroleum, hides and skins, oriental rugs.

* Based on Iranian months Dec. 22, 1963-June 21, 1964. Export data exclude oil shipments.

Iran's gross national product, presently estimated at $5 billion, or roughly $221 per capita, is expected to be increased by 5% this year, a little less than the 6% figure called for under the Third Development Plan (1962-68). Although marked increases in private construction activity and in imports have been made by the private sector, new investment has remained at disappointingly low levels. Efforts to restore business confidence have been dampened by uncertainties resulting from the Government's announced intention of revising the Commercial Code, tax laws and tax administration.

This year, industrial and agricultural machinery, power equipment and industrial raw materials are expected to remain "best sellers" in Iran, but the outlook for consumer goods is fairly austere. Current financial strains, brought about from the sudden upturn in imports and from crop failures which necessitated heavy food-grain purchases abroad, have been a caution signal to Iranian authorities. Increasingly comfortable oil revenues, however, appear to provide solid underpinning for the economy, but to pursue a development plan of the magnitude of Iran's $2.7 billion program leaves small room for non-essentials.

Imports increase

In the first half of 1964, Iranian imports of $314.4 million were more than 17% greater than in the same period for 1963. Iranian figures are not available but it is known that this trend was accelerated in the latter part of the year. The United States, source of $53.8 million worth of Iranian purchases in the first-half and Western Germany and the United Kingdom, with roughly equivalent shares, accounted for more than half of the Iranian market last year, as they did in previous years. Increased competition can be expected from Japan in 1965, however, since the abolition of a special 5% import tax on Japanese products has already led to stepped up sales efforts in Iran by Japan.

Based on U.S. trade statistics, exports to Iran totaled $85.8 million in the first nine months of 1964 as compared with only $64.5 million in the same period for the previous year. The increase was largely the result of a rise in sales of machinery and transport equipment. U.S. imports from Iran in the first three quarters amounted to $57.9 million (compared with $53.1 million in Jan.-Sept. 1963) and consisted mainly of petroleum.

New regulations set

During the latter part of 1964, the Government of Iran undertook steps to reduce payments for private imports, to encourage and protect domestic industries and to raise ready cash. All have had, or will have some bearing on market prospects. Additional measures may be included in the 1965 commercial policy, to be issued in March.

Steps taken included action by the Central Bank to reduce and extend payments for imports, to make them more expensive and to give the Bank better control over them. Sugar imports were banned. The Ministry of Economy announced new regulations for passenger car, radio and television assembly industries, in order to promote local manufacture and the greatest possible utilization of domestically-made parts. The Health Ministry banned imports of more than 2,000 different types of pharmaceuticals which it said were competitive with products produced in Iran.

Foreign investment sought

To encourage investment in industrial ventures, the Ministry of Economy on Aug. 28 announced the removal of complicated formalities for the establishment of some 80 types of industrial enterprises in the fields of textiles, food processing, chemicals, construction materials, and electrical goods.

Toward the end of the year, it became increasingly apparent that the Iranian Government intends to push ahead with plans for a fully-integrated, 600,000-ton capacity steel mill and would welcome participation by foreign firms.

Record oil income

Crude oil production, exports and income continue to rise. The Oil Consortium's payment for operations in the third quarter amounted to $107.2 million, bringing payments for the calendar year to $316.4 million through the third quarter. This record figure is expected to increase still more as production rises.

More than 30 petroleum companies participated in the bidding for an oil concession in the District I offshore area of the Persian Gulf. The winning bid was expected to include a very sizeable payment. Of related interest was an announcement that a joint bid for the construction of an oil refinery at Madras, India, submitted by the National Iranian Oil Co. (NIOC) in collaboration with the Pan American Oil Co. was successful.

U.S. exports to Lebanon

Israel

Demand for latest machinery reflects efforts to modernize, develop industries

By HOWARD M. ZIMMERMAN
Near East-South Asia Division, BIC

U.S. exports to Israel experienced a marked upswing during 1964 and will likely top the $200 million mark. Looking ahead, 1965 appears promising and should continue to offer the U.S. businessman an expanding market for his goods and services.

An expanding Israeli economy and rising per capita income, and a strong demand for the latest types of machinery resulting from efforts to modernize existing plants and to develop new industries contributed to the improved sales of U.S. goods during 1964. These continuing factors, coupled with a decided preference for U.S. goods should enable the U.S. to retain its present position as number one supplier if U.S. exporters are able to meet the challenge of keen price competition.

Imports, Jan.-Oct. 1964

Total imports	$682 million
From U.S.	$171 million
U.S. share	25%

Exports, Jan.-Sept. 1964

Total exports	$262 million
To U.S.	$ 47 million
U.S. share	18%

Israel's chief imports from U.S.:
Cereals, industrial machinery and equipment, electronic goods, scientific and medical equipment, office machinery.

Chief exports to U.S.:
Diamonds, clothing (raincoats), yarn thread, printed matter, cement, natural abrasives.

Growing economy

Israel is a rapidly growing country with gross national product expanding at an annual rate of over 10% and with per capita income already exceeding that of some European countries. This enviable rate of economic expansion, evident for the last decade, promises to continue.

At the same time, the Government will be keeping a watchful eye on pressures within the economy which may bring extended problems. Heightened concern over a greatly enlarged trade gap in 1964 has led to consideration of a program for containing domestic demand in the interests of the balance of payments.

Key elements in the plan are a containment of budgetary expenditures, a limitation on Government construction, a reduction in domestic commodity subsidy payments, and restriction over some types of capital inflows.

Ready market

While Israel's import restrictions—high customs duties, import licensing requirements and foreign exchange restrictions—are imposed in an attempt to reduce a balance of trade deficit, there are few limitations on imports with will contribute to industrial expansion, especially in industries with export potential.

Imports of some consumer goods are either altogether banned or very heavily taxed, as are imports of many products which compete with local producers. However, the list of protected commodities is gradually diminishing.

Israel has an increasing population and the Government now estimates more than three million inhabitants by 1970.

Construction is an essential and important industry and has been booming for several years. Heavy emphasis has been placed on buildings of reinforced concrete, providing an excellent market for U.S. construction equipment and new building materials.

Home show scheduled

Of interest to U.S. suppliers of these materials are Israeli plans to conduct a Home Show at the Tel Aviv International Fair grounds next June where prospective foreign suppliers of construction equipment and building supplies may exhibit their products.

Participation by individual U.S. firms interested in introducing or expanding the sales of their products in Israel is welcome.

As the Israeli industrial sector continues to expand, new machinery for modernization and development of new enterprises will find a major market in Israel. Many of the growing firms also are interested in obtaining know-how from U.S. sources and in manufacturing U.S. products under license.

If U.S. exporters intend to continue supplying more than 20% of Israel's foreign purchases, they will need to be aggressive salesmen.

U.S. as main supplier

According to Israeli trade statistics, the U.S. supplied 25%, or $170.6 million, of Israel's total imports of $682.2 million during January-October 1964.

U.S. exports to Israel during the same period of 1963 were $152 million, 27.7% of the $547.1 million total import figure. The major commodities in Israel's international market consist largely of raw materials to feed a growing industrial sector, and investment and capital goods.

Consumer goods, restricted by licensing requirements and high tariffs, represent a relatively small portion of total imports. Major purchases from the U.S. are cereals; industrial machinery and equipment; electronic goods; scientific and medical equipment; office machinery; photographic equipment; pharmaceutical and fine chemicals; and machine tools.

Israeli exports have also risen during the past year. During the first nine months of 1964, Israel's exports amounted to $261.5 million, compared to $259.7 million during the same period of 1963. The U.S. was one of the best customers, purchasing $47 million and $41 million during the respective periods.

In value, polished diamonds are by far the largest item purchased by the U.S., followed by clothes (mainly raincoats), yarn thread, printed matter, cement, natural abrasives, fresh fruit, and veneer plywood.

Development goals set

The Israeli Ministry of Commerce and Industry recently published plans and targets for industrial development during the next five years to provide an indication of industries with the best prospects for future sales emphasis.

Major industries expected to experience sustained growth and expansion in the next few years include electric and electronic equipment; mines and quarries; chemicals and refining; automotive industry; printing and publishing; lumber and carpentry; rubber and plastics; diamond cutting; textiles; machinery; clothing; and paper and cardboard.

Lebanon

Price competition stands as important factor in economy free of excessive import rules

By HOWARD M. ZIMMERMAN
Near East-South Asia Division, BIC

Lebanon, a relatively small country, presents an attractive market for all kinds of U.S. products and has increased its purchases of U.S. goods during the past year.

Beirut, the capital, is also an important center to many U.S. firms for their regional sales activities in the surrounding Arab countries.

Prospects for a continuation of this trend during the coming year are good, but price competition will be an important determining factor in this price conscious market.

Unencumbered by excessive import restrictions and commercial red tape, Lebanon's growing economy and rising standard of living are producing an expanding market for U.S. goods and services. The economy is characterized by its free exchange without restrictions on currency movements. Customs duties average 25% on all articles and prior import license requirements are applied to only a few products.

Despite evidence of restrained economic momentum during the summer months, there has been no significant decline in economic activity below the high level of 1963, and the outlook for stable business conditions during 1965 appears bright.

Restraining causes have been attributed to the normal summer slow-down and widespread preoccupation with the question of the nation's presidential succession. However, with the return of vacationing Lebanese and inauguration of a virtually unopposed and universally acclaimed new president, the year's end witnessed a marked pickup and a continuation of last winter's boom.

Autos create markets

Good prospects for future sales to Lebanon include motor vehicles; air conditioning and refrigeration equipment; construction equipment; agricultural and industrial equipment including technical know-how; all types of consumer goods; and goods and services relating to projects implemented by the Government.

Tourism is an important economic sector in Lebanon and is afforded favorable attention. Transportation thus becomes one of the basic factors for promotion of private and public tourism facilities. The automotive population of Lebanon is estimated now as over 90,000 vehicles and growing at a rate of 10,000 per year.

New transport and tourism agencies for Lebanon as well as the whole area are constantly being established. As a result, availability of automotive replacement parts, reliable maintenance and servicing machinery and equipment become a distinct necessity and offer excellent opportunities to U.S. suppliers of these commodities.

Modern conveniences sought

With one of the highest standards of living in the Middle East and rising per capita income, the Lebanese are constantly seeking the most recent and modern conveniences of life. Since domestic production is limited, even the lower income groups depend on imports to provide not only many of the necessities of living but luxury items as well.

Air conditioning and refrigeration is being extended to practically all fields and economic sectors, including office or apartment buildings, public buildings, recreation places, and food storage facilities.

Parallel to high income and standard of living increases, the need for development of modern techniques in agriculture and industry is being felt increasingly throughout the country. U.S. techniques and methods are significantly sought after and applied and opportunities in this field should not be neglected but explored.

In addition, availability of increased power for industry, large investments in building construction, extensive road building for tourism development, and efforts to harmonize social levels through the construction of low-cost housing programs, augur well for U.S. suppliers of related equipment and services.

There were indications during 1964 that Lebanon and the U.S. were becoming closer in their economic and commercial relations. U.S. exports to Lebanon reached unprecedented levels during the first nine months of the year and Lebanese exports to the U.S., which doubled during the past four years, are still climbing.

U.S. visitors to Lebanon now exceed in number all except Syrians and Jordanians and in 1964 the U.S. accounted for 30 to 40% of Lebanon's mounting tourism revenues. The U.S. share of the automotive market is about 40% in dollars.

Under the U.S. financed regional training program at the American University of Beirut, 93 Lebanese students are studying on scholarships during the present academic year.

Sales up

The U.S., as Lebanon's chief supplier, exported $42.2 million worth of goods to Lebanon during the January-September period of 1964, according to U.S. trade statistics, an increase of 18% over the 1963 figure.

Total U.S. exports to Lebanon in 1964 are expected to approach the $60 million mark. Industrial and electrical machinery of all types were the best sellers followed by automobiles and other motor vehicles.

Imports of consumer items are also a significant item and a wide variety of U.S. consumer products can be seen in the shops of Beirut merchants.

The U.S. purchased from Lebanon during the same nine-month period goods valued at over $6.6 million, a 27% increase over the same period of 1963. Major items purchased from Lebanon are carpet wool, raw tobacco, and hides and skins.

In addition, expenditures of U.S. tourists in Lebanon together with other invisible transfers more than offset the imbalance of commodity trade between the two countries.

U.S. exports to Lebanon

January-September 1964	$42 million
January-September 1963	$36 million
Increase	19%

U.S. imports from Lebanon

January-September 1964	$7 million
January-September 1963	$5 million
Increase	28%

Chief U.S. exports:
Machinery, equipment, motor vehicles, grains and preparations, clothing, cigarettes.

Chief U.S. imports:
Carpet wool, raw tobacco, hides, skins.

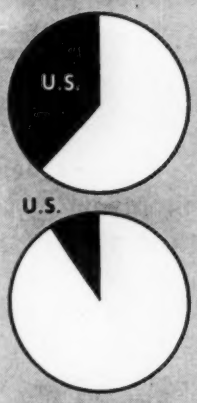
Source: U.S. Bureau of the Census.

Pakistan

Liberalization of import policy provides impetus to record-setting growth rate

By LARRY NIKSCH

Near East-South Asia Division, BIC



Imports, Jan.-June 1964

Total imports	$447 million
From U.S.	$175 million
U.S. share	39%

Exports, Jan.-June 1964

Total exports	$147 million
To U.S.	$ 13 million
U.S. share	9%

Pakistan's chief imports from U.S.:
Iron and steel manufactures, grain, machinery, vehicles, raw materials, chemicals, drugs.

Chief exports to U.S.:
Raw jute, burlap, cotton manufactures, wool manufactures, hides and skins.

Among the less developed countries, Pakistan will remain a leading market for U.S. products in 1965, although U.S. exports to that country for 1964 will probably slip slightly below the $387 million 1963 total.

Pakistan's rapidly expanding economy and her new import liberalization policy should broaden the future market for U.S. products. Barring any unforeseen developments, U.S. exports to Pakistan in 1965, excluding U.S. PL 480 food exports, should remain at their present high level or even moderately increase. The expected decline for 1964 is based upon a comparison of U.S. monthly export figures for 1963 with 1964 which show the first nine months of 1964 totaled $258.4 million while the total in 1963's corresponding period was $269 million.

Record-breaking agricultural crops in Pakistan resulted in the decrease of U.S. PL 480 food shipments. PL 480 exports for the first nine months of 1964 totaled $80 million; shipments for the same period in 1963 amounted to about $102 million. Other U.S. exports slightly surpassed the $102 million 1963 level. The 1964 figure was $107 million.

On the other side of the ledger, U.S. imports from Pakistan will probably near the $40 million mark in 1964, which is $5.6 million less than the 1963 total.

Import liberalization

The Government of Pakistan greatly expanded its import liberalization program on July 1, 1964, when it lifted import licensing requirements and quantitative restrictions on 51 items. Details were published in INTERNATIONAL COMMERCE, Aug. 3, 1964, p. 18.

The underlying purpose of Pakistan's import liberalization policy is to boost an already high rate of growth in industrial production by providing the raw materials, spare parts and supplemental equipment which will permit optimum production of existing plant facilities. Although there has been an 11% increase in industrial output during 1964, many facilities have suffered curtailed production because of chronic shortages of these materials.

Early indications of the impact of liberalization have been encouraging. Stocks of the 51 items in many cases, especially iron and steel products from the United States, have increased significantly. Most end-users of these imports are now working on a full-shift basis, many for the first time and some manufacturers are considering double shifts.

It is already clear that the import liberalization policy is giving further impetus to the upsurge in Pakistan's economic growth with an increase of 7% for 1964 (July 1963-June 1964). This is the highest growth rate percentage achieved since independence was won in 1947. With this record growth rate, it appears that the Second Five Year Plan's target of a 24% increase in gross national product (GNP) will be achieved by the end of the Plan on June 30, 1965. Pakistan's Finance Minister has stated that the increase may be as high as 28 or 29%.

U.S. assisting Pakistan

Pakistan's imports are being financed through a $140 million U.S. AID loan, which was concluded Dec. 21, 1964, to cover the period from July 1, 1964 to June 30, 1965. The bulk of the loan will be used by Pakistani private sector firms to import needed commodities. Procurement of materials under the loan is tied to U.S. sources and will therefore provide current and prospective exporters with opportunities to demonstrate the quality of U.S. products and equipment.

The loan will be allocated to: Iron and steel products ($90 million); marine diesel engines ($5 million); pesticides and fertilizers ($6.2 million); diesel locomotive spares ($3 million); jeeps ($4.27 million); auto spares ($730 thousand); tires and tubes ($1 million); lubricants ($7 million); truck components ($11 million); medicines and pharmaceuticals ($1 million); industrial air-conditioning equipment ($300 thousand); and miscellaneous commodities ($10 million).

AID loans for specific projects will offer additional opportunities for U.S. suppliers because procurement under these loans is also restricted to U.S. sources.

Competition intensified

Opportunities for U.S. suppliers also exist outside of the U.S. assistance program. Pakistan purchases needed commodities from abroad with her own foreign exchanges and under loans provided by the World Bank or other international financial institutions. In April 1964, for example, the World Bank provided an additional $315 million for the Indus Basin Development Project. In such circumstances, however, U.S. suppliers will encounter intensified competition from Western European and Japanese firms because procurement financed from these sources is worldwide.

Role of foreign private investment

New fields of activity for foreign private investment should develop when Pakistan's Third Five Year Plan begins in July. This plan focuses upon a basic shift of emphasis from consumer goods industries to producer goods industries. Industries moving up in priority include machine tools, industrial chemicals, iron and steel, fertilizers, machinery and paper. The Government of Pakistan is planning a 70% increase in foreign private investment during the Third Plan.

On Dec. 16, 1964, the Government of Pakistan and Esso Standard Eastern signed an agreement for the construction of a $25 million fertilizer plant in West Pakistan. Esso's investment of approximately $19 million in the plant is the largest single U.S. private investment in Pakistan.

Turkey

Though rallying from economic doldrums, nation continues rigid import policy

By DONALD R. TRAFTON

Near East-South Asia Division, BIC

Imports, Jan.-Aug. 1964

Total imports	$375 million
From U.S.	$102 million
U.S. share	27%

Exports, Jan.-Aug. 1964

Total exports	$193 million
To U.S.	$ 32 million
U.S. share	17%

Turkey's chief imports from U.S.:
Machinery, fats and oils, transport equipment, iron and steel, petroleum products, yarn, plastics.

Chief exports to U.S.:
Unmanufactured tobacco, nuts and preparations, crude vegetable materials, wool, other animal hair.

Although Turkey appears to be emerging from a period of economic stagnation, the outlook for sales of U.S. products to Turkey in 1965 is not automatically brighter, since the country is so largely dependent upon AID financing. However, some improvement over 1964 seems likely, when imports from the United States fell off sharply due to Turkey's extremely difficult foreign exchange situation.

Turkey's 14th Import Program, issued this month and valid through June, is again very restrictive. Only items which are considered most essential to the economy, and raw materials and finished products which are not available in sufficient quantities to meet essential requirements will be imported in any quantity.

Industrial machinery, petroleum products, steel mill products, tires and tubes, chemicals, and yarns have the greatest promise of being purchased from the United States with AID financing in 1965.

Turkey has requested that the "Aid Turkey" Consortium established by the Organization for Economic Cooperation and Development provide $250 million in program assistance during 1965. So far, approximately $90 million has been pledged ($40 million by the U.S.). At another pledging session scheduled for next month, an attempt will be made to provide the additional $160 million to meet Turkey's 1965 requirements.

Additionally, under a 1963 agreement, U.S. Food for Peace shipments of grains, vegetable oils and tallow to Turkey will amount to $40-50 million this year.

Imports decline

Reflecting low foreign exchange reserves ($32 million in September 1964) and a restrictive import policy, Turkey's total imports in 1964 are estimated to have declined about 15% from the previous year's total of $690 million. Although Turkish statistics show total imports for the first eight months of 1964 off by only 11.6%, provisional figures indicate a decrease of almost 45% in September and October, compared with the same months of 1963.

Imports from the United States, down only 6.3% through August, fell off by more than 58% during September and October. During these two months, Turkey imported $21.2 million worth of U.S. products, compared to $51 million during the corresponding months of 1963.

According to U.S. figures, exports to Turkey amounted to $105.6 million through September, a drop of 38% from the comparable period of the previous year.

With the exception of machinery, boilers, fats and oils, declines were registered in all import categories. Much of the decline was accounted for by a sharp reduction in Food for Peace wheat shipments from the United States. Investment goods and raw materials each captured about 44% of the total import market last year, leaving only a small 12% of the market to consumer goods. This general ratio is also expected to hold true for 1965.

Confidence improves

As the Cyprus crisis moderated and governmental efforts to ease credit began to take effect, business confidence took a turn for the better. Although figures for the last half of 1964 are unavailable, indications point to increasing domestic sales as the year progressed, while prices either held steady or receded slightly. Sales during July and August appeared to be even lower than the usual levels for those months, but September produced a strong seasonal upturn. Much of the rise can be credited to all-time record crops.

On the other hand, poor prospects for this year's wheat crop may bring future increases in U.S. exports of wheat to Turkey under the PL 480 (Food for Peace) program.

Plan released

Contents of the third yearly plan for Turkey's First Five Year Development Program (1963-67) have been released. Development targets for 1965 include the following projected increases:

- 7% in GNP;
- 4% in per capita income;
- 9.4% in total investment;
- 3.9% in imports; and
- 9.3% in exports.

It is hoped that total investment will reach $1.41 billion, of which 60% will be public and 40% private. The largest amount of the planned investment will be for housing (19%), followed by manufacturing (18%), agriculture (17.8%), and communications (13.8%). In the first year of the plan (1963), the GNP slightly exceeded the 7% average annual target growth rate, but early estimates indicate this target was not attained in 1964, and that concerted effort will be required to reach it in 1965. The GNP reached $7 billion in 1963, and per capita income is expected to reach $244 by the end of 1965.

Association with EEC

Turkey became an Associate Member of the European Common Market (EEC) on December 1. This association status is intended to lead to Turkey's eventual full membership, and brings immediate benefits in the form of economic and financial aid from the EEC.

The period of association is planned to progress through both a preparatory stage of 5 years and a transitional stage of about 12 years. The purpose of the first stage is to enable Turkey to raise its economic standards. During the second stage Turkey will progressively harmonize its trade and economic policies with those of the EEC.

UAR (Egypt)

Strict trade controls likely to cause continued drop in commercial imports

By ROGER D. SEVERANCE
Near East-South Asia Division, BIC

Imports, Jan.-June 1964

Total imports	$428 million
From U.S.	$143 million
U.S. share	33%

Exports, Jan.-June 1964

Total exports	$317 million
To U.S.	$ 11 million
U.S. share	4%

UAR's chief imports from U.S.:
Wheat, wheat flour, corn, vegetable oils, machinery.

Chief exports to U.S.:
Raw cotton.

The volume of U.S. trade with the United Arab Republic is expected to hold up through the first half of 1965 because of large shipments of surplus agricultural products under PL-480, but UAR efforts to remedy its balance-of-payments difficulties will adversely affect normal commercial imports from the United States.

Strict controls on import licenses imposed in April 1964, which resulted in a marked decline in total imports, are expected to be continued into 1965. Development plan expenditures also are likely to be less during 1965, as the UAR concentrates on easing the shortages of basic consumer products which reached critical levels during the last half of 1964.

The UAR economy continues to grow despite financial difficulties. Although the 8% annual rise in gross national product (GNP) necessary to meet development plan goals was not attained in 1964, the GNP continued to rise at a respectable rate of 5 to 6%, reaching an estimated $3.5 billion during 1964.

Business confidence suffered, as factories, merchants, and importing organizations, already beset by the difficulties of operating in a nationalized economy, were hard hit by the new import restrictions. Many organizations experienced hardships caused by shortages of spare parts and raw materials for which they could not obtain import allocations.

Best opportunities

Unless U.S. firms are prepared to offer extended payment terms, the best opportunities for sales to the UAR are basic consumer products—principally foodstuffs—and essential raw materials and spare parts for existing industries in addition to products for AID-financed projects. Firms bidding on goods and services for development projects should try to ascertain what priority the UAR attaches to the project. The expected reduction in development spending means that some projects will be implemented before others, even though no actual "priority list" of projects exists. To a significant extent, the priority of a project will depend upon the financing available for it.

The United States increased its exports and remained the UAR's principal supplier by a wide margin during the first nine months of 1964. The rise in U.S. exports to $188.1 million for the period ($162.3 million for the same period in 1963) largely reflects increased shipments under PL-480. For the nine-month period, shipments of these surplus agricultural products rose by an estimated $15 million to approximately $115 million.

Trade deficit drops

UAR trade statistics for the first six months of 1964 show exports of $317.4 million and imports of $427.8 million, leaving a deficit of $110.4 million compared with $124.5 million in 1963. In the same period of 1963, exports were $291.6 million and imports, $416.1 million.

Significantly, the second quarter deficit dropped to $87.2 million from $103.1 million in 1963, mostly reflecting the stricter import controls instituted in April. First quarter deficits are traditionally low due to seasonal raw cotton exports. Total 1964 imports are expected to show a substantial drop as preliminary reports show that the decline in the second half of the year was even greater than during the first half.

New import regulations

New foreign exchange and import licensing procedures were scheduled to go into effect July 1, 1964, but the effect of these procedures was superseded by the new import restrictions.

Under the new procedures, foreign exchange is allocated directly to each sector of the economy rather than through the Exchange Control Organization. Each recipient then distributes its share within the sector, without recourse to the Import Licensing or Exchange Control Organizations. The system is designed to eliminate the need for the exchange control authorities to approve every transaction, although it is likely that a modified import license may still be necessary as a check on whether the sector is operating within its foreign exchange allocation.

The new system's effectiveness in eliminating delays and red tape in obtaining import licenses cannot be determined until the restrictions imposed last April are eased.

The 5% statistical tax on all but essential foodstuff imports and a similar tax on almost all invisible transfers remained in effect at the end of 1964. In calculating duty paid prices, this tax should be added to the previously existing 5% statistical tax, for a total statistical tax of 10%.

Supply crisis

During the latter part of 1964, UAR authorities were increasingly concerned over a mounting supply crisis. Serious shortages in basic consumer items developed, and prices of some foodstuffs and other products rose rapidly. The problem was attributed to various factors —from too much development spending to greater consumer demand caused by higher standards of living.

As an immediate solution to the problem, $92 million was allocated for the import of basic consumer products—partly in foreign exchange—but mostly in balances under trade agreements. Other measures include a tightening of government expenditures, more control over consumer cooperatives (government controlled distribution centers), the encouragement of savings, and the cancellation of allocations for many service, construction, and general expenditures.

The lack of foreign exchange also affected industry. At the end of the year several factories were near closing and others were curtailing production as raw material inventories dwindled and were not replenished.

African horizon broadens

Resourceful traders rising to challenge of rapid political, economic changes

By BERNARD BLANKENHEIMER
Director, Africa Division, BIC

Although prospects vary from country to country, the overall outlook for U.S. trade with Africa promises steady growth.

Political developments continue to dominate the African scene, bringing economic and social changes which create both opportunities and pitfalls.

The broad programs—financed from public, mixed and private sources (domestic and foreign)—which are under way involve stepped-up demand for goods ranging from heavy earth-moving equipment and construction materials to books and scientific equipment. As the level of economic activity expands, so too does the demand for a wider array of consumer goods as already reflected in the growing list of African imports.

In a few places, the role played by private enterprise has become increasingly circumscribed by hostile government actions and policies, but in most of the developing countries there is recognition and indeed an open welcome for foreign private capital and know-how. Many of the new countries have special laws designed to encourage foreign investors and have investment-guaranty agreements with the United States.

Trade with U.S.

As a percentage of U.S. global trade, commerce with Africa is still small, amounting to about 4% of the total. However, the quantitative level of U.S.-African trade has shown encouraging growth.

For the first 9 months of 1964, U.S. exports to Africa were 24% higher than for a comparable period in 1963. Indicators pointed to an export total of more than $900 million for the year, which would establish a record. The dollar volume of Jan.-Sept. 1964 exports was $693 million, compared with $559 million a year earlier.

North Africa and the Horn accounted for 26% of the total; Middle Africa, 29%; and Southern Africa, 45%. Exports to Southern Africa were 40% higher in 1964 than in 1963. A gain of 16% was recorded in exports to North Africa and exports to Middle Africa rose 2%.

In 1960, U.S. exports to Africa (excluding Egypt) totaled $615 million, of which 25% went to North Africa and the Horn, 24% to Middle Africa, and 51% to Southern Africa. By contrast, of the $779 million exported in 1963, 27% went to North Africa and the Horn, 33% to Middle Africa, and 40% to Southern Africa. This amounted to a 14% average annual growth rate for U.S. exports in North Africa and the Horn and 23% in Middle Africa, while exports to Southern Africa experienced a relative decline.

U.S. imports from Africa also registered over-all gains. In the first 9 months of 1964, total imports amounted to $635 million as opposed to $557 million in the comparable period of 1963. This represented an increase of approximately 18%, with large gains in Middle and North Africa partially offset by a decline in imports from Southern Africa. The total dollar volume of 1964 imports from Africa (excluding Egypt) should approach $900 million—again, a probable record.

Changing the pattern

Considerable benefit can result from the efforts of private American business to change existing patterns which have been institutionalized by tradition. More American exporters need to visit Africa, to establish sales representation and create effective distribution channels, to provide proper servicing facilities, to introduce new products and, in general, to excite importers about U.S. trade possibilities—if the practices that have bound local business in Africa to European suppliers are to give way.

The situation with respect to U.S. investment is similar. The past rate of American investment in Africa has been low, and U.S. capital has tended to concentrate heavily in relatively few areas. This has changed rather dramatically in the past decade.

From 1950 to 1962, the over-all increase in U.S. private investment abroad was 216%; in Africa it was 343%. In 1963, 25% of U.S. private investment was represented in mining activities; 49% in petroleum exploration, development and distribution; 12% in manufacturing; 6% in trade; and 8% in other fields.

Development surge

This year should see a continuation of strong economic growth in Africa. Current crop conditions point to increased output of basic exchange earners such as coffee, cocoa, peanuts and palm products. In mining, numerous significant projects (some involving U.S. investments) are under way. Petroleum activities are rapidly expanding.

Libya provides a vivid example of the importance of oil development. Over $1 billion has been expended by 20 concessionaires, among whom are 13 American companies. The first well came in in 1956 and exports of crude began late in 1961, with output in 1964 amounting to 700,000 barrels a day. Libyan per capita income spurted from $100 in 1957 to $370 in 1963, and the U.S. share of this market from 2 to 20%.

Bauxite resources are being developed rapidly, and Africa is also becoming a major world source of iron ore, with development of new mining ventures in such countries as Gabon, Liberia and Mauritania.

Many African states are seeking a

U.S. direct investments in Africa climb

(Millions of dollars)

	1950		1962		1963		1950-62	1962-63
Country	Value	% of Africa total	Value	% of Africa total	Value	% of Africa total	% increase	% increase
Liberia	16	5.6	184	14.5	195	13.7	1,114	5.9
Libya	*	....	265	20.8	304	21.4	....	14.7
Rep. of South Africa	140	48.8	357	28.1	415	29.1	155	16.2
Other countries [1]	131	45.6	465	36.6	510	35.8	255	9.6
Total, Africa [1]	287	100.0	1,271	100.0	1,423	100.0	343	11.9
Total, world	11,788	....	37,226	.....	40,645	....	216	9.1

[1] Excluding UAR. * Negligible.

broader base through association with neighboring countries. The Organization for African Unity, formed in May 1963, and the United Nations Economic Commission for Africa (UNECA) have become catalysts for regional cooperation.

A notable achievement is the African Development Bank, which grew out of discussions in UNECA and which was officially established last September. The bank is to be headquartered in Abidjan, Ivory Coast, and has an authorized subscription capital of over $200 million.

Possibly of more direct importance to U.S.-African relations is the Association of 18 African States (AOC) with the European Economic Community. This Convention of Association, effective from June 1, 1964, maintains and extends 1957 arrangements by which the African territories—at that time dependencies or trust territories of EEC member states—were able to maintain ties with the EEC.

New arrangements sought

In Africa, the association of African states with the EEC has been received with mixed feelings. Advocates underscore the benefits African associated states will derive in the form of aid and a preferential market for tropical products. Critics look upon it as a "privileged club" involving market dislocation for competing producers of tropical products. Probably because of this, certain African countries not now associated with the EEC have indicated an interest in making some form of trading arrangements with the Common Market.

To the extent that the AOC-EEC Convention provides a new source of capital and accelerates African economic development, potential demand for goods and services from abroad should increase in the long run; however, U.S. exports to the Associated States will face an additional trade barrier in the form of a tariff preference in favor of the EEC. This subject will be discussed at forthcoming meetings on the General Agreement on Tariffs and Trade.

As a general rule and as put forth at the recent United Nations Conference on Trade and Development (UNCTAD), the United States is not anxious to see further extension of preferential arrangements and bilateral trading agreements in Africa, but would rather deal with problems facing the developing countries on a world-wide multilateral basis.

Clearly, Africa is now a complex and competitive market, but one in which the United States can and should make gains given patience, understandi... of local trading conditions and aggressive sales techniques.

U.S. trade with Africa increases

(Millions of dollars)

	Exports		Imports	
	Jan.-Sept. 1963	Jan.-Sept. 1964	Jan.-Sept. 1963	Jan.-Sept. 1964
Total, Africa, excluding United Arab Republic	**559**	**693**	**557**	**655**
North Africa and the Horn, total	155	180	54	79
Morocco	41	29	5	4
Algeria	31	44	**	3
Tunisia	18	26	1	1
Libya	31	46	11	18
Sudan	12	11	4	4
Somali Republic	2	2	**	**
French Somaliland	1	1	**	**
Ethiopia	9	10	31	46
Canary Islands	9	11	1	2
Spanish Africa, n.e.c.	1	2	1	**
Middle Africa, total	182	203	255	340
Cameroon, Federal Republic of	3	4	5	9
Western Equatorial Africa, n.e.c. (former French Equatorial Africa)*	4	4	8	10
Western Africa, n.e.c. (former French West Africa and Republic of Togo)*	26	38	38	68
Ghana	14	17	44	58
Nigeria	28	49	34	27
British West Africa and Sierra Leone	3	3	9	8
Madeira Islands	1	2	2	3
Liberia	28	24	21	38
Seychelles and dependencies	**	**	**	**
Mauritius and dependencies	2	1	1	1
East Africa (Kenya, Uganda, Tanzania)	11	15	47	64
Republic of the Congo (former Belgian Congo), Ruanda and Burundi	61	43	34	41
Malagasy Republic	2	3	14	13
Southern Africa, total	222	311	248	235
Angola	8	8	26	32
Mozambique	7	5	5	6
Western Portugese Africa, n.e.c.	1	1	2	1
Malawi, Rhodesia, Zambia (former Federation of Rhodesia and Nyasaland)	11	14	20	19
Republic of South Africa	196	283	196	178

* Chad and Congo (Brazzaville) included in Western Africa in 1964, but in Western Equatorial Africa in 1963.

** Less than $500,000.

Note: Figures may not add to total's because of rounding. N.e.c.: not elsewhere classified.

Algeria

Government intervention increases, lack of trade earnings brings strict controls

By BONNIE McGOUGH
Africa Division, BIC

U.S. exports to Algeria

January-September 1964	$44 million
January-September 1963	$31 million
Increase	42%

U.S. imports from Algeria

January-September 1964	$ 3 million
January-September 1963	$0.3 million
Increase	900%

Chief U.S. exports:
Wheat, oil, milk, flour, machinery, transport equipment.

Chief U.S. imports:
Crude petroleum, essential oils.

Source: U.S. Bureau of the Census.

The level of U.S. trade with Algeria is not likely to change significantly in 1965. The composition of U.S. exports—principally government-sponsored Food for Peace shipments, and machinery and transportation equipment—should also remain about the same.

Uncertainty in the Algerian business climate is reflected in unsettled local market conditions and in sluggish business activity.

Wholesale and retail trade are down. Exports of agricultural products have declined except for esparto grass. Industrial activity is steady but operations are considerably below capacity. Reduced industrial production results partly from loss of skilled European manpower following extensive nationalization.

A chronic lack of exchange earnings has provoked severe import and exchange control restrictions. Unemployment remains high. New net investment is low. Generally, all can be attributed to the transitional nature of the Algerian economy as it progresses toward increased state control.

Business and trade

Despite present circumstances, there are some encouraging economic indicators. Crude oil production and sales set new highs in 1964 and natural gas production was up sharply. The resulting increase in revenues, plus Algeria's solidly based infrastructure and announced determination to diversify its trade, offer the long-run prospect of increased U.S. exports.

U.S. trade data show an encouraging increase in U.S. exports for the first nine months of 1964. Exports of $43.5 million represent a 42% increase over the comparable 1963 period.

While the major part of the increase was accounted for by Food for Peace shipments, machinery and transport equipment increased from $5.6 million to $7.6 million. The U.S. at present has a small share in Algeria's total foreign trade. France still accounts for about 80% of the country's overall commercial exchanges.

U.S. purchases from Algeria in the first nine months of 1964 were valued at $3.3 million, consisting mostly of Algerian crude oil.

Although France remains Algeria's dominant trading partner, its share of the market has tended to decline. Sharp increase in Algerian imports from Great Britain during the first nine months of 1964 largely reflected a British firm's construction of an oil pipeline from Arzew in the Sahara to the Mediterranean.

There's been talk

Algeria has had preliminary discussions with the European Common Market regarding possible association. Recently Algeria joined neighboring states in Northwest Africa to discuss the possibility of a unified position for negotiating associate membership in the EEC.

The Algerian government is concentrating on farm modernization, a more diversified industrial base and an increase in mining. A strong demand for agricultural equipment is expected to be sustained.

Industrial development plans place emphasis on petrochemicals, textiles, the processing of agricultural products and local manufacture of consumer goods. There should be a continuing demand for capital goods to meet the needs of these industries.

Industrial projects underway or expected to start soon include textile, shoe and tractor factories, tanneries, a steel complex at Annaba and an ammonium phosphate plant at Arzew.

Most important

Algeria's most important economic activity is the production of natural gas and petroleum. As output levels continue to climb, increased export revenues are expected to cover the demand for added production equipment.

For an annual period ending in August 1964, natural gas production registered a 3-million metric ton gain over the preceding year (7 million as compared to 4 million metric tons). Later in the year, a natural gas liquefaction plant opened at Arzew. By August, crude oil production reached an annual rate of almost 27 million tons.

Despite Algeria's declared policy of state socialism, there have been official public statements seeking to induce some limited private investment in the industrial sector. The Algerian Government has sought to strengthen this invitation by restoring certain nationalized small businesses and by encouraging Algerian merchants in France to invest in industrial activities at home.

Note the conditions

While foreign private capital is sought within the limits of government objectives, certain conditions should be noted. They include restrictions on repatriating profits, limitation of profits, government participation in ownership and participation by workers' councils in some management functions.

In these circumstances the only feasible form of new investment seems to be that which entails joint participation between the Algerian Government and private enterprise, with the private participant holding the minority interest.

Influence expands

During 1964 the Algerian Government expanded its influence in the commercial sector by establishing government purchasing groups for wood products, meat and milk. Active participation of the Ministry of National Economy insures control of overseas procurement in accordance with economic planning objectives.

The outlook is for increased government intervention in the economy.

Congo

There's plenty of business despite the violence, and imports are growing

By BARBARA HUDDLESTON
Africa Division, BIC

U.S. exports to Congo (Leopoldville)*

January-September 1964	$43 million
January-September 1963	$61 million
Decrease	30%

U.S. imports from Congo (Leopoldville)*

January-September 1964	$41 million
January-September 1963	$34 million
Increase	21%

Chief U.S. exports:
Cotton fabrics, chemicals, flour, machinery, petroleum products, transportation equipment.

Chief U.S. imports:
Coffee, copper, diamonds, palm products, rubber, timber, tin, zinc.

* Includes Rwanda and Burundi.

Source: U.S. Bureau of the Census.

The 1965 trade flow to and from the Congo cannot be predicted with certainty, but prospects are good that it will not decline significantly, despite unrest in the northeastern provinces.

Although export earnings have not lived up to expections raised by trends early in the year, it is estimated that they did not fall much below the 1963 level of $307 million. Higher world market prices and reduced export smuggling are expected to offset the loss of exports from the northeastern provinces.

Production levels in 1965 will undoubtedly be affected by the impact of military activity on plantation lands which had supplied cotton, rubber and palm oil for export. The extent of the drop in production cannot be accurately estimated, however, and continued improvement in mineral export earnings, as well as in coffee and tea production, may be sufficient to prevent a serious reduction in total export value.

On the import side, the monetary reform of a little over a year ago has been effective in realigning supply and demand more realistically, and in strengthening the Congolese franc. Import levels were estimated at almost $214 million in 1964, compared with $193 million in 1963. 1965 levels will probably be as high or higher.

Aid provides boost

The U.S. aid program has been an important factor in achieving the relative success of the stabilization program. U.S. assistance consists of making funds available to Congolese importers through commercial banks for the purchase of any commodity within specified broad categories. During 1964 about $25 million were used to import American automotive spare parts, chemicals, industrial machinery, machinery spare parts, nonmetallic minerals, petroleum products, pharmaceuticals, pulp and paper products, textiles, tires and tubes, and vehicles.

U.S. aid funds are made available to importers on a first-come, first-served, basis up to the limit of the purchase authorization for each commodity. Thus those American exporters who make the effort to interest Congolese importers in purchasing their products are those who benefit from the U.S. aid program.

This type of support will probably be continued through 1965.

Commercial sales of certain agricultural commodities financed by the U.S. under Public Law 480 were another important component of our assistance to the Congo during 1964. This program also will be continued.

The Congo is dependent on the United States for supplies of capital equipment needed to restore economic activity in areas damaged by civil unrest and to maintain production in tranquil areas. The demand for imported foodstuffs and consumer goods will also remain high until agricultural produce and manufactured goods can be supplied locally. In these latter product categories, American salesmen with attractive merchandise do not have to depend on AID financing to penetrate the Congo market.

Although aid-financed commodities are at present the more important U.S. exports to the Congo, the percentage of freely available foreign exchange used by Congolese to import American goods has been steadily increasing. We still buy far more from the Congo than we sell to it. The United States took 37% of the Congo's exports in the first quarter of 1964, but supplied only 11% of Congo-financed imports; non-aid-financed imports reached approximately $165 million for the year, a 27% increase over 1963.

Lack of interest

Distributors in the Congo have expressed dissatisfaction to U.S. Embassy officials because so few American suppliers have bothered to investigate the Congolese market. To facilitate U.S. exporters' entry, the Commercial staff at the Embassy will display promotional materials and small product samples at the U.S. commercial library in Leopoldville, where, along with Elizabethville, most business activity is centered.

In accordance with the economic stabilization program begun in November 1963, the Congolese Government has been considering the liberalization of its import licensing system. Pending a general relaxation of the foreign exchange quotas governing allocations for commodity import licenses, the Ministry of Economic Affairs removed controls on importation of salt, yeast, meat, and fish during 1964. Similar action is being considered for other products.

Demand for these products, particularly canned meat, should offer U.S. exporters increased sales opportunities.

Production and development

Despite unsettled conditions, operations of Union Miniere du Haut Katanga, the largest single mining company in the Congo and the third largest copper producer in the world, were normal throughout most of 1964, and anticipated copper and cobalt production probably exceeded 1963 levels. UMHK is continuing with its plans for investment in new installations over the next decade.

Investment possibilities in the Congo are also being explored by several business groups not previously active in that area. An Israeli finance-group (Federmann) has recently organized a company for the manufacture of antibiotics which should begin operation early this year.

The Federmann interests are actively promoting several other projects in the Congo and would welcome investment participation from other sources.

East Africa

Three-nation market is highly receptive to American goods; has dollar reserves

By BARBARA HUDDLESTON
Africa Division, BIC

U.S. exports to East Africa

January-September 1964	$15 million
January-September 1963	$11 million
Increase	33%

U.S. imports from East Africa

January-September 1964	$64 million
January-September 1963	$47 million
Increase	36%

Chief U.S. exports:
Machinery, electrical appliances, petroleum products, paper, paperboard, grains.

Chief U.S. imports:
Coffee, cotton, cloves, sisal, tea.

Source: U.S. Bureau of the Census.

The East African market (comprising Kenya, Tanzania and Uganda) continues to offer exciting possibilities to U.S. exporters willing to undertake dynamic sales programs.

Although the overall level of East African imports will probably not rise dramatically during 1965 prospects for increased sales of U.S. products are extremely good.

The United States may thus be able to boost its share of the market from the 4.6% registered in 1963 when East African imports totaled about $416 million. Figures on the 1964 U.S. share of the market are not yet available.

Dollars are readily available, as East Africa exports to the United States over four times as much as it imports, and runs an overall trade surplus. Furthermore, American products are highly acceptable in the East African market, a situation of which U.S. firms have not yet taken full advantage.

Principal U.S. exports to East Africa have generally included industrial and agricultural machinery, electrical appliances, petroleum and petroleum products, paper and paperboard, iron and steel, textiles, fertilizers and foodstuffs. Demand for these types of imports should remain high throughout 1965. With an average per capita income of $72, an estimated growth rate of 4 to 6% in 1964, and an expanding industrial sector, East Africa is purchasing a wider variety of consumer goods, including such items as canned vegetables and meats, hardware, pharmaceuticals, soaps, cosmetics, textiles (including miracle fabrics), clothing and footwear, radios and phonographs, air-conditioning equipment, household electrical appliances, bicycles, motorcycles, and motor scooters.

AID boosts exports

U.S. exporters have an additional assist in East Africa, where AID development grants and loans totaled $15.5 million in 1964. In addition to a requirement that imports needed for AID-financed projects must originate in the United States, a new Special Letter of Credit arrangement instituted this year sets aside the dollar value of local currency costs to finance commercial imports of a broad range of U.S. goods.

The new procedure was designed to overcome dollar leakage previously connected with AID financing of local project bills. Since East Africa is not short of foreign exchange, however, these dollar credits will lie idle unless American exporters actively compete with other suppliers for East African sales.

Last year was a year of consolidation in East Africa following the independence of Kenya and Zanzibar in December 1963. The Kenyan economy in particular has been making some readjustments in its agricultural sector, including a land reform program.

Land redistribution has been accompanied by an initial decline in mixed-farm output, and capital expenditure for agricultural improvements has decreased. Kenya may become temporarily dependent on food imports until Government plans for the development of the agricultural sector have time to take effect.

Investment picture brightens

Although the rate of capital expenditure in Kenya since 1960 has been disappointingly low, several investment projects were decided upon during the past year and their effect on the economy should be felt during 1965. To encourage private investors, the Government concluded an Investment Guaranty Agreement with the United States in May 1964 and introduced a Foreign Investment Protection Bill into the legislature.

The primarily agricultural Tanzanian economy has been expanding during the past few years, and 1964 trade figures are likely to show increased export earnings, particularly from cotton, coffee, and sisal, while expenditures for imports held steady. Despite its favorable trade balance, Tanzanian leaders have been worried about the country's increasing dependence on imports of manufactured goods from Kenya.

In an effort to rectify the imbalance in inter-territorial trade and bring about more evenly-distributed industrial growth, Tanzanian leaders were instrumental in bringing about the Kampala Agreement last May. The three East African states agreed to protect certain local industries in each country with a system of quotas, and to allocate certain major industries to each of the three countries.

Tanzania has worked out a Five-year Plan which calls for the development of a number of small-scale industries, as well as those large ones allocated by the Kampala Agreement. Tanzanian leaders have indicated that they will welcome American participation in their development program, both from AID and from private sources.

Economic indicators point toward a record year in 1964 for Uganda's economy. While the level of net imports remains steady, export earnings are expected to rise to a new high, resulting in a favorable trade balance of about $84 million.

Like Tanzania, Ugandi will benefit from the local industry protection provisions of the Kampala Agreement. Uganda has also worked out a Five-year Development Plan which includes a number of infrastructure-type projects as well as longer-range goals for industrialization.

Promotes U.S. exports

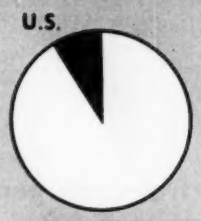
The Department of Commerce will offer two different kinds of promotional assistance for U.S. exports to East Africa during the coming year. A U.S. exhibition will be held in Nairobi from March 7-27. The theme will be "Harambee" (progress through cooperation).

U.S. exports to Liberia

Ghana

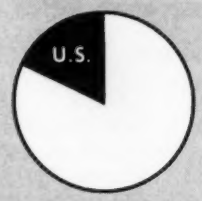
Foreign exchange, financial problems dampen trade expansion prospects

By JOHN R. HOKANSON
Africa Division, BIC



Imports, Jan.-June 1964

Total imports	$155 million
From U.S.	$ 15 million
U.S. share	9%



Exports, Jan.-June 1964

Total exports	$199 million
To U.S.	$ 36 million
U.S. share	18%

Ghana's chief imports from U.S.:
Rice, tallow, industrial machinery, aircraft, construction, equipment.

Chief export to U.S.:
Cocoa.

Prospects for trade with Ghana during 1965 are uncertain. Difficult foreign exchange and financial problems confront the country and show little indication of improvement in the near future. This situation dampens the outlook for expansion of normal commerce.

U.S. exports, however, should be supported at significant levels by shipments of materials needed for construction of the $128 million Volta Aluminum Co. (VALCO) smelter being built at Tema by a U.S. consortium.

The foreign exchange situation appeared to be deteriorating at the end of 1964. Commercial traders found it difficult or impossible to obtain financial cover for scheduled imports from the banks in Ghana. The exchange shortage could result in depletion of stocks of imported commodities and might foreshadow a further tightening of Ghana's already stringent system of import and exchange controls.

The near exhaustion of Ghana's foreign exchange has resulted largely from major trade deficits in recent years stemming from a declining trend in world prices for cocoa, coupled with a high level of import demand. Cocoa trade earns roughly 60% of Ghana's foreign exchange.

Another factor contributing to the decline in reserves is the use of these funds to help finance an ambitious industrialization program and to help offset budget deficits incurred by the Government. Also, the amount of private investment which entered Ghana in the past few years was not sufficient to counter the balance of payments drain.

Price of cocoa uncertain

There is continuing uncertainty about the price of cocoa. Ghana in 1964 joined with other major producers in a Cocoa Alliance designed to control the marketing of this commodity in an attempt to strengthen prices. It is too early for conclusions about the move's effectiveness.

The most recent data on Ghana's economic performance has shown some disappointing trends. The country's rate of economic growth in 1963 (in real terms, based on 1960 price levels) barely exceeded 1% over the preceding year—the lowest rate in recent years. An inflationary trend has partially wiped out income gains, particularly among lower income groups. Unemployment has become a significant problem in Ghana.

In 1964, Ghana's fiscal year was changed to follow the calendar year instead of an October-to-September period. Consequently, details of Government finance were not available at the end of 1964. The trend of revenue and expenditure for much of the year appeared somewhat improved from 1963 and a smaller deficit was foreseen. There were no indications, however, of a basic change in the country's fiscal policy showing intentions of balancing expenditure with revenue.

Smaller deficit

As shown in the accompanying table, Ghana seems headed for another trade deficit for 1964 but its magnitude is expected to be somewhat less than the $60-million shortfall of 1963. An increase in earnings from the 1963-64 cocoa crop is the major factor in the improved picture although revocation of most import licenses for a period in the first part of the year held back trade to some extent.

At mid-year, when licenses for a large range of goods became more generally available, the pace of importation picked up momentum that lasted through much of the second half until it again became difficult to obtain exchange.

Ghana's imports from the United States of $14.6 million in the first six months of 1964 were higher than for the comparable period of 1963. The $2.6 million increase stemmed from larger shipments of rice, animal fats, and specialized transport equipment.

The overall pattern of Ghana's trade remained basically the same during 1964 as in other recent years, according to Ghanian data. The United Kingdom retained its position as the country's largest supplier by a wide margin and the United States remained the largest customer for Ghana's cocoa.

Through its import licensing policy the Ghana Government continued efforts to divert import trade to those countries, mostly in the Sino-Soviet bloc, with which it has trade and payments agreements. Steps were taken to channel more imports through the State-operated trading firm, the Ghana National Trading Corporation (GNTC), which was given exclusive rights to import some basic commodities such as tinned fish and meat. Because of the persistent foreign exchange problem, these efforts seem likely to continue as Ghana attempts to use credits accumulated in its favor with its trade-pact partners.

Investment climate clouded

The climate for private investment in Ghana has become increasingly clouded, as a result of the country's deepening economic difficulties and general uncertainty of local and foreign businessmen regarding the future place of the private sector in Ghana's economy. The Ghanian Government at times has indicated that private capital would be welcome provided it fits within the framework of the country's overall development program.

To induce foreign investments, Ghana has enacted an investment code and has established an investment bank. These positive actions often appear to be outweighed by statements, by various public officials, indicating an increasing lack of confidence in the role of private enterprise in future economic development and by extention of public sector activities.

Liberia

Economy passing through transition period; lull hasn't affected business confidence

By JOHN HOKANSON
Africa Division, BIC

Although prospects are not dramatic, the outlook for U.S. trade with Liberia during 1965 appears improved. Chances are good that a declining trend of U.S. exports experienced during 1963 and 1964 can be halted and perhaps reversed.

On the other side of the trade coin, American imports from Liberia are expected to continue to grow as more of that West African republic's minerals and raw materials are consumed by U.S. industry. However, the rate of expansion seems destined to slacken from the rapid pace shown by the available U.S. trade data for 1964.

U.S. exports to Liberia

January-September 1964	$24 million
January-September 1963	$28 million
Decrease	14%

U.S. imports from Liberia

January-September 1964	$38 million
January-September 1963	$21 million
Increase	83%

Chief U.S. exports:
Rice, cigarettes, iron and steel products, machinery.
Chief U.S. imports:
Rubber, iron ore.

Source: U.S. Bureau of the Census.

In large part, the trade outlook reflects the Liberian economy's passage through a period of transition. The decrease in private investment, which followed the surge of iron-mine development activity in the initial years of this decade, and the fiscal austerity program adopted by the Liberian Government to restrain spending in the face of rising debt commitments, have combined to contract aggregate demand.

The recessionary influence which began to be felt in 1963 and continued throughout 1964 adversely affected demand for imported goods. In spite of prospects for relief, indications are that some degree of economic sluggishness will persist well into 1965.

Business still confident

The most immediate impetus to economic recovery and the main source of heightened import prospects appear to center in demands generated by several development projects financed by public sector expenditures. The economy may receive additional support from private investment possibilities now under consideration in several sectors, notably timber, agriculture and mining. These, however, have more long-term rather than immediate potential.

Liberia's economic lull does not seem to have significantly affected business confidence although some pessimism may be noted among those engaged in mercantile trade who have been pinched by relatively high inventory accumulations and tightened bank credit.

Liberian trade data have not been issued for years later than 1962 when the country's total imports amounted to $132 million and exports to $67 million. In 1962 the United States accounted for 43% of Liberia's import total. Other leading suppliers were West Germany, with 20%, the United Kingdom, 9%, and the Netherlands, 6%.

The decline in U.S. exports to Liberia in the first nine-month periods of the past two years, from $28 million to $24 million, is centered in machinery, transport equipment, building materials, and related items which were in abnormally high demand during the time the construction of iron-mining facilities and the government's ambitious building construction program took place. Exports of other merchandise—food, clothing and other consumption goods—have not been affected as seriously.

The large increase in U.S. imports from Liberia, to $38 million in the first nine months of 1964 from $21 million in the same span of 1963, is accounted for by sharp rises in purchases of iron ore and coffee. Imports of each of these commodities during the first six months of 1964 exceeded the comparable totals for the entire year of 1963.

Should be active

Even though the United States enjoys an established position in the Liberian market, American traders should employ active sales efforts. The market has become more competitive in recent years as other industrial nations have shown interest in marketing there. Consequently, prices, servicing and quality are of paramount importance to successful selling.

In past years foreign private investment has been the chief determining factor of economic growth. To attract this capital inflow, Liberia has maintained a favorable climate for foreign investors interested in developing the country's resources. The Government has repeatedly assured investors that this climate can be expected to continue as an attraction for additional capital for development of a more diverse economic structure.

Seek free-trade area

Negotiations, which were begun in mid-1964, are now continuing among Liberia, Sierra Leone, Guinea and the Ivory Coast in an attempt to establish a free-trade area—a grouping which presents important long-run implications for both traders and investors.

While private investment in cooperation with the Liberian Government may hold the key to long-term development, the immediate future of the economy—and of trade—is highly dependent on public-sponsored projects undertaken with financial assistance from the Agency for International Development (AID), the World Bank, and other government and international agencies.

The largest project now under construction is the $27-million Mt. Coffee Hydroelectric generating scheme on the St. Paul River near Monrovia.

AID loans totaling more than $6 million for a medical center and schools in Monrovia have been approved and bidding on the projects is scheduled during the early part of this year. Other AID loans authorized include $7 million for construction of a modern water system for Monrovia. This project is not expected to get underway before 1966, however.

Road construction, financed by a $3-million loan from the World Bank and a loan of approximately $10 million from West Germany, is also underway.

Continued investor interest in Liberia is sustained by the Liberian Government's assurances that a climate amenable to private enterprise will be maintained and confidence that Liberia has better-than-average chances for long-run economic development.

Morocco

New development plan places priorities on agriculture, tourism, labor training

By BONNIE ANN McGOUGH
Africa Division, BIC

U.S.-Moroccan trade is not likely to increase dramatically this year, but there are opportunities for moderate growth of U.S. exports.

Total Moroccan imports rose from $217.5 million in the first six months of 1963 to $232 million in the same period of 1964—an increase of about 9%. Exports rose 12%, from $208.25 million to $232 million. Increased exports were principally due to a rise in the value and tonnage of phosphates and citrus fruits.

France continues to be Morocco's principal trading partner but its share of the market is steadily decreasing as Morocco seeks to diversify its trade. Other important trading partners are West Germany, the United Kingdom and the Sino-Soviet bloc.

U.S. exports to Morocco totaled $25.4 million in the first half of 1964, according to Moroccan statistics, compared with $17.9 million for the same period of 1963. This is a 42% increase in the value of U.S. exports and represents 11% of the total value of Moroccan imports. A large part of U.S. exports to Morocco was financed through AID loans and the PL 480 program for agricultural products.

Is it necessary?

Because of foreign exchange difficulties, most Moroccan imports must qualify as items necessary for economic development. The emphasis is on supplies and equipment required by agriculture, tourism and the food processing industry.

Opportunities will continue to exist for the sale of U.S. agricultural machinery, particularly tractors; mining and industrial equipment; industrial chemicals, and construction materials and machinery, particularly the earthmoving type.

The Moroccan Government has expressed a desire to increase and strengthen trade with the U.S., and wants a list of U.S. firms interested in doing business in Morocco. Such firms may write to the Bureau of International Commerce, Africa Division.

A factor behind the Moroccan Government's interest is the presence in Morocco of a substantial amount of unspent AID funds.

An increase in production levels in Morocco; the substantial amount of unspent U.S. funds there and recent legislation removing discrimination in Moroccan import licensing procedures are all favorable factors for an expansion of U.S. exports.

Business correspondence, bids and sales literature should be prepared in French. Knowledge of English in Morocco is far less common than in the French-speaking areas of Europe. A U.S. bid prepared in French receives more consideration than one prepared in English.

Under the old Moroccan import control system, imports from France were freely authorized, while imports from other sources were subject to tight restrictions. Recently, however, it was announced that all imports from France and other franc-zone countries would be brought within the import control procedure and would require the equivalent of import licenses.

This change places imports of French goods on the same basis as other imports and therefore may offer encouragement to Moroccan importers to procure from non-traditional sources.

Another significant development is the recent provisional announcement that the Government of Morocco intends to establish a liberalized list of permitted imports. Commodities excluded from the list are largely luxury and domestically produced items, for the most part not included among AID-financed imports.

On the list

Among goods excluded are certain types of meat and fish, several varieties of fruits, pastries, perfumes, cosmetics, textiles, new and used clothing, footwear and toys.

The list will not be official until its publication in the Government Bulletin. In the meantime, import licenses are still restricted to such necessities as equipment required for specific development projects, primary commodities needed by local industry and essential foods.

Morocco is just completing its second economic development plan, which went into effect in 1960. This five-year plan, which emphasized both industry and agriculture, relied on the private sector for approximately half of the required investment and was to provide an annual growth rate of 7%. The expected growth rate proved optimistic, largely because of lagging private investment.

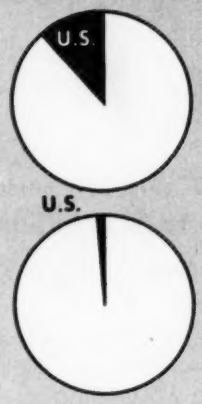
To replace this plan Morocco now is drawing up a new three-year development plan for 1965-67. It calls for large investments of both domestic and foreign capital and reportedly will place priorities on agriculture, tourism and labor training.

In the industrial field, emphasis is expected to be given to food processing. Most industrial projects—except for major projects such as the chemical complex at Safi—will depend mainly on private capital for development.

Investment potential

The development plans reserve a major role for private enterprise, particularly in the industrial sector. The Moroccan Government is willing to participate financially in joint ventures with private foreign interests in order to further plan objectives, especially in key areas such as tourism.

Much publicity is being given the planned construction of hotels and motels. Expanded accommodations should have a beneficial effect on the future of tourism.



Imports, Jan.-June 1964

Total imports	$232 million
From U.S.	$ 25 million
U.S. share	11%

Exports, Jan.-June 1964

Total exports	$232 million
To U.S.	$ 3 million
U.S. share	1%

Morocco's chief imports from U.S.:
Grains, dairy products, machinery, vehicles, tobacco, vegetable oils, cotton, textiles.

Chief exports to U.S.:
Fish, fruit, vegetables, spices, manganese ores, carpets and rugs, wool.

Nigeria

Expansion shown in 1964 should continue; gross national product up to $3.6 billion

By RALPH C. MEIMA
Africa Division, BIC

Imports, Jan.-June 1964

Total imports	$327 million
From U.S.	$ 32 million
U.S. share	10%

Exports, Jan.-May 1964

Total exports	$272 million
To U.S.	Not available

Nigeria's chief imports from U.S.:
Wheat, tobacco, petroleum products, pharmaceuticals, iron and steel, machinery, transport equipment.

Chief exports to U.S.:
Cocoa, rubber, lumber, hides and skins, columbium ore, tin.

Nigeria's economic situation is expected to continue the expansion shown in 1964 when record levels of exports and imports were reached.

An increase in the good sales gains made last year by U.S. suppliers is also forecast.

Both upward trends should improve, barring adverse political developments.

Latest available Nigerian data, covering the first half of 1964, show its global imports at a record $326 million, with the United States accounting for $32.2 million, or almost 10% of the total. This compares with comparable period 1963 total imports valued at $268 million and a U. S. market share figure of 8.5%.

The 10% of total imports supplied by the U.S. during the first half of 1964 was a record. The latest officially published detailed Nigerian reports show that during the first quarter of 1964 the United Kingdom, historically Nigeria's major supplier, furnished 34% of total imports, down from 38% reported for the equivalent 1963 period.

Meanwhile, Japan increased its share of imports from 11% in January-March 1963 to 14% in the like 1964 period, whereas the position of EEC countries held steady at 21% of imports.

Nigerian industrial gains have raised the importance of raw material imports for newly established industries at the expense of many finished goods imports. Thus, local production has resulted in lowered imports of flour, cements, paints, cordage, cotton yarn and thread while increasing the need for imported wheat for the new flour mill, hops for the breweries, semi-fabricated iron and steel products, and chemicals and base pharmaceuticals for further local processing.

Several factors

Several important factors contribute to a favorable outlook for Nigeria's trade and industry during 1965.

High on the list is the increase in new production facilities. In 1963 more than $75 million was invested in 38 new major industrial enterprises, two-thirds of it from private foreign sources. By July 1964 at least 10 additional important plants formally opened. Some twelve others were under construction in the last half of 1964, and plans for four other operations recently were announced.

Nigeria's oil refinery, scheduled to go into production in May, should make the country largely self-sufficient in several important petroleum products and improve her balance of payments.

The six-year development plan progressed in 1964 with the assurance of $140 million worth of overseas financing for the important $205-million Niger River Kainji hydroelectric dam. Work was also started on the project, largely financed by loans from the World Bank and the United States, Italy, the United Kingdom and the Netherlands.

Planning also progressed in connection with the proposed $84-million steel mill. The Nigerian Industrial Development Bank was established last year. Its paid-in capital worth $6.3 million will provide medium and long-term loans for private industrial and investment projects in the months ahead.

GNP shows rise

Nigeria's reported 1963 gross national product (GNP), in 1962 prices, reached a record $3.6 billion, 4% above the 1962 level and more than 12% greater than for 1960. Although GNP valuations for 1964 and estimated for 1965 are not yet available the 1964 increase may prove sharper than the previous year's record advance, and indicators point to continued substantial progress in 1965.

Prospects appear bright for expanded Nigerian purchases in 1965 of petroleum production and utilization equipment, and a wide range of construction and industrial production machinery.

Much demand for imported industrial equipment should result from the current industrial expansion, with emphasis on electric motors, grinders and polishers, mechanical handling equipment, and machine and hand tools for metals and wood.

Additional sales potential for U.S. suppliers will come from first-half 1964 U.S. AID disbursements in Nigeria which totaled about $8.8 million, of which at least $1.3 million was earmarked for imported equipment and supplies.

In addition, new AID loan and grant authorizations during the same period reached $34.4 million and included $14 million for the Kainji Dam (the Dam will require an estimated $23 million worth of U.S. equipment by completion), $1.8 million for Port Harcourt school construction, $3.2 million for engineering services connected with the Nigeria telecommunications development program, and $3.8 million for teacher-training facilities in the Northern Region.

During 1964 the largest percentage increases in Nigerian imports from the U.S. occurred in insecticides, textile bags, iron and steel pipe, tubes, and fittings, wire rope and cable, and aircraft and parts. An increase in U.S. sales of graders, levelers and scrapers was offset by a decline in deliveries of angle-dozers and bulldozers.

The U.S. gained as a supplier of dried milk and cream, tobacco, cigarettes, lamp oil and kerosene, among other items.

Tariff increases

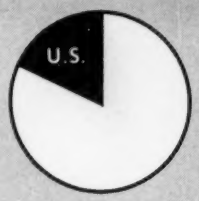
During 1964 the Government of Nigeria announced tariff increases for a broad range of items and, for the first time, instituted provisions requiring specific import licenses for a number of commodities.

In late November 1964, further tariff revisions involving reductions in the duty on certain items, including spare parts, occurred.

South Africa

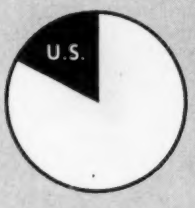
Continuing prosperity boosted imports to all-time high of $2 billion in '64

By VICTOR FINGERHUT
Africa Division, BIC



Imports, Jan.-Sept. 1964

Total imports	$1,563 million
From U.S.	$ 282 million
U.S. share	18%



Exports, Jan.-Sept. 1964

Total exports	$1,068 million
To U.S.	$ 177 million
U.S. share	17%

South Africa's chief imports from U.S.:
Industrial machinery, transport and construction equipment, textiles, paper goods, metal products, chemicals, electrical apparatus.

Chief exports to U.S.:
Metals, metallic ores, wool, sugar, fish and products, diamonds, other precious stones, asbestos.

The increased level of U.S. exports to South Africa during 1964 should be maintained in 1965 as South Africa's economy continues to expand.

Barring unforeseen political developments, strong demand for U.S. exports should result from South Africa's sustained demand for capital goods; record levels of new construction and industrial output; some easing of trade regulations; increased consumer income; and continued high levels of gold production to underwrite a large annual foreign trade deficit.

During the first nine months of 1964 U.S. exports to South Africa rose sharply to $280 million, an increase of 43% over the corresponding period of 1963. Increased sales of machinery and transport equipment accounted for a large part of the gain.

South Africa's gross national product (GNP) for the year ending June 31, 1964 was estimated at about 7 billion Rands ($9.8 billion), according to South African statistics. This represented an 8% increase in real terms above the previous year. However, with virtual full employment of skilled and semi-skilled labor having been reached during the early months of 1964, some slackening in the growth rate can be expected for 1964-65.

A lower growth rate, though, is not expected to alter the basically upward movement of the economy.

New starts in both residential and non-residential construction, for example, are maintaining near record levels, while auto sales for the first nine months of 1964 reached an all-time high of 106,000, 37% above the nine-month record set in 1963.

Business confidence

With South Africa entering the third consecutive year of rapidly increasing economic activity, business confidence in most major sectors of the economy remains high. Underlying this attitude is the judgment that the extensive basic developmental projects currently underway and the large amounts of planned residential and industrial construction should provide a solid underpinning for continuing the economic advance into the foreseeable future.

The major internal economic factor which might stall the economic advance has been the shortage of skilled and semi-skilled labor. This shortage was first felt in the construction industry, but has since spread to certain manufacturing industries. In recent months, it has combined with some supply bottlenecks in materials to arouse fears of inflation.

However, industrial production has continued to rise in recent months while prices were holding relatively firm. The only exception occurred in foodstuffs, where shortages caused by drought in several parts of the country produced sharp price increases.

Thus far, the Government has only had to take limited precautionary countermeasures, including minor tightening of money and credit. However, officials are prepared to apply stronger restraining action on the economy if more pronounced inflationary trends appear.

Foreign trade

The general expansion of economic activity in South Africa has been accompanied by record levels of global imports. For the first three quarters of 1964, imports amounted to $1,563 million, 29% over the $1,204 million for the same period in 1963.

The major increases in foreign purchases have principally occurred in capital goods and related equipment needed for South Africa's industrial development.

U.S. exports to South Africa have benefited from the overall increase in the Republic's imports and have even modestly increased their share of the market. For the first nine months of 1964, U.S. exports (running at an approximate annual rate of $370 million) garnered about 18% of the South African market. U.S. sales of $276 million accounted for 17% of the market in 1963.

For the same period, U.S. imports from South Africa declined slightly from $196 million for the first three quarters of 1963 to $177 million during January-September 1964.

While the gains in U.S. sales to South Africa during the past two years have occurred principally in the capital goods sector, U.S. exporters can also increase sales of consumer goods.

Continued high demand for U.S. road-building, construction, and excavating machinery also is anticipated. Consumer goods sales prospects appear bright for household electric appliances; hardware and cutlery; furniture and lampware; all types of motor vehicle accessories and gadgetry; paper products, including books and stationery; and selected textiles.

Eased trade regulations

Prospects in the South African market, particularly for consumer goods, should also be improved as a result of the Government's decision to continue the gradual liberalization of trade controls. Recent official announcements said that South Africa's import policy during 1965 will involve both the continuation of the relatively liberal dollar allocations granted to importers in 1964, as well as the reassignment of certain consumer goods to more favorable classifications under the present import quota system. Many goods formerly included in South Africa's Group A import list and certain items of office equipment would be added to the list of goods that can be imported without a license.

CONFRONTATION AND JUSTIFICATION of exceptions meeting of GATT (Dec. 9) at Geneva. Photo shows U.S. members prior to opening of first session. Ambassador William M. Roth (pencil in hand, left), Theo. R. Gates, Ambassador W. Michael Blumenthal, Allen H. Garland, Bernard Norwood, Stanley D. Schiff, and Courtney Worthington. Joseph A. Greenwald was absent when photo was taken. Chairman was Eric Wyndham White (in rear).

KENNEDY ROUND

Another step at Geneva

Negotiators start item-by-item examination of exceptions list of industrial products

By ALLEN H. GARLAND

Director, Trade and Commercial Policy Division, BIC

Another step forward in getting the Kennedy Round underway takes place on Jan. 19 in Geneva when the countries participating in the linear tariff reduction will begin the item-by-item examination of exceptions lists of industrial products. These lists are the ones tabled on Nov. 16 and include products which countries are excepting wholly or partially from the 50% linear reduction which has been agreed upon as a working hypothesis for the Kennedy Round.

Tomorrow's meeting will be a continuation of a session held Dec. 9-11 in Geneva when preliminary views were exchanged on exceptions lists and the stage was set for the detailed item-by-item examination. Of the 10 nations (the European Economic Community considered as a unit) participating in the linear tariff reduction, five tabled lists of exceptions on Nov. 16. These were the United States, the European Economic Community, the United Kingdom, Japan and Finland. Five other countries—Austria, Denmark, Norway, Sweden and Switzerland—did not table lists of exceptions but indicated that their action was subject to obtaining reciprocity from their negotiating partners.

The Jan. 19 meeting will involve an explanation by the U.S., EEC, U.K., Japan and Finland of each item on their exceptions lists as well as the overriding national interest reasons requiring the exception. All countries will then have an opportunity to ask questions and comment about the exception. The review of each country's list will take as long as required.

The U.S. will be represented at the confrontation and justification meeting by the same delegation (see photo) which represented the U.S. at the meeting of Dec. 9-11. The Deputy Special Representative for Trade Negotiations, Ambassador W. Michael Blumenthal, heads the U.S. Delegation.

Canadian "Offer list"

Canada tabled a list of concessions on Nov. 16 which it is proposing to offer in accordance with the agreement of participating countries that Canada can participate as a country with special problems. Canada, therefore, has submitted an offer list instead of an exceptions list and will not participate in the present phase of confrontation and justification. Tabling of the industrial exceptions lists was in accordance with an agreement by the Ministers of participating nations meeting in the Trade Negotiations Committee in Geneva last May 4 (INTERNATIONAL COMMERCE May 4 and 25, 1964). Products on such lists are to consist only of those items which have to be excepted for reasons of overriding national interest. Each exception will be subject to confrontation and justification. It is estimated that confrontation and justification of exceptions lists will last approximately four or five weeks. Information on the content of and deliberations on exceptions lists of the various participants cannot be divulged in light of the high security classification imposed by agreement of the participating nations.

U.S. exceptions list

The U.S. exceptions list was developed over many months by the interagency trade organization under the direction of Christian Herter, the President's Special Representative for Trade Negotiations. The final list was approved by the President only after extensive review of testimony before the Trade Information Committee and intensive study by the Office of the Special Representative for Trade Negotiations and by the seven agencies of government participating in

the interagency trade organization, the Departments of Agriculture, Commerce, Defense, Interior, Labor, State and Treasury.

The Commerce Department also held extensive hearings with a large number of U.S. industries. Proposals for the U.S. exceptions list originating from the public hearings and from the various departments were channeled through the interagency Trade Staff Committee. The Tariff Commission participates in an advisory capacity on this Committee. Decisions of that group were then reviewed by the Trade Executive Committee, consisting of officials at the rank of Assistant Secretary. The proposed list was then reviewed by the Cabinet level Trade Expansion Act Advisory Committee whose recommendations were forwarded to the President for action.

The exceptions lists filed Nov. 16 do not include agricultural products. These were omitted because of the inability of participating nations to agree by Nov. 16 on rules for negotiations in the agricultural sector. The chief difficulty in the treatment of agriculture arises from the negotiating mandate which the EEC Council of Ministers has given the EEC Commission, and the narrow interpretation the Commission has, up to the present, given that mandate. It is expected that discussions on the treatment of agricultural products will resume early this year.

It is anticipated that the Kennnedy Round groups examining various non-tariff barriers (NTBs) will resume their work sometime early this year. These groups met in Geneva in July 1964 for a preliminary exchange of views for proceeding with negotiation on non-tariff barriers of a multilateral nature. At that meeting participating nations indicated an interest in negotiating on a number of non-tariff barriers including certain practices in regard to assessment of duties and valuation for customs purposes (the use of the American selling price system for the valuation of benzenoid chemicals for duty purposes is in this group); certain administrative and technical regulations which hamper imports; government procurement policies; internal taxes on automobiles (namely those of Italy, France, Austria and Belgium); and restrictions affecting trade in coal. Other non-tariff barriers may be brought into the negotiations as progress is made in the negotiations on industrial and agricultural products. In this respect it has been agreed that those non-tariff barriers chiefly of a bilateral nature will be subject to bilateral negotiations and will be brought into the larger negotiations on NTBs only if negotiations fail to yield satisfactory results.

Other discussions

Discussions are underway with less-developed countries (LDCs) on the rules for their participation and the contributions that they will be expected to make to the Kennedy Round package.

The schedule for the Kennedy Round tariff negotiations will be determined largely by results of the discussion to be held early this year on exceptions, agriculture and the participation of LDCs. Hopefully these issues can be resolved in the coming months so that tariff bargaining sessions can begin. It is expected that the Kennedy Round will continue throughout 1965 and into 1966.

Conversion values of European currencies

By PAUL A. MAYER

Bureau of International Commerce

The value of all principal European currencies, in terms of dollars and in terms of other principal European currencies, is shown in the accompanying table.

The table can be read two ways.

For example, it shows that $1 buys 7 shillings and two pence (line 1), and also that £1 buys $2.79 (line 7).

A reader interested in the currencies of France and the Federal Republic of Germany will find the following pertinent relations:

► 100 French francs buys $20.41 or 81.00 deutschmark (line 5).

► 100 deutschmark buys $25.17 or 123.30 French francs (line 6).

► 1 U.S. dollar buys 4.90 French francs or 3.97 deutschmark (line 1).

The figures are based on official exchange rates but the table is meant to serve only as a guide. For close financial calculations, up-to-the-minute information should be obtained from banks or institutions dealing in foreign exchange.

Country	Currency units		Value in $	$	$	Bfrs	Dkr	Ffrs	DM	Lire	Hfl	Nkr	Esc	Pts	Skr	Sfrs	£ s d
U.S.A.	Dollars	$	1	Read	25.32	50.00	6.91	4.90	3.97	625	3.60	7.15	28.69	60	5.14	4.31	–. 7. 2
Austria	Schillings	S	100	3.95	Inter-	197.50	27.05	19.35	15.68	2,469	14.23	28.24	113.33	237	20.30	17.02	1. 8. 3
Belgium	Belgian francs	Bfrs	100	2.00	50.68	national	13.82	9.80	7.94	1,250	7.20	14.30	57.38	120	10.28	8.62	–.14. 4
Denmark	Danish kroner	Dkr	100	14.47	366.25	723.50	Commerce	70.90	57.43	9,045	52.10	103.50	415.15	868	74.40	62.37	5. 3. 6
France	French francs	Ffrs	100	20.41	516.55	1,020.40	141.02	each	81.00	12,755	73.44	145.92	585.50	1,224	104.90	87.95	7. 6. 3
Germany	Deutschmark	DM	100	25.17	637.18	1,258.50	173.89	123.30	weak.	15,728	90.51	179.93	721.33	1,510	129.35	108.46	9. – –
Italy	Lire	Lire	1,000	1.60	40.53	80.00	11.06	7.85	6.35	It	5.77	11.45	45.96	96	8.23	6.90	–.11. 6
Netherlands	Holl. florins	Hfl	100	27.84	704.78	1,391.75	192.33	136.40	110.50	17,400	helps	199.00	798.60	1,670	143.07	119.97	9.19. 6
Norway	Norw. kroner	Nkr	100	13.99	354.10	699.50	96.65	68.55	55.52	8,742	50.35	you	401.30	839	71.90	60.30	5. –. 3
Portugal	Escudos	Esc	100	3.49	88.37	174.25	24.08	17.08	13.86	2,178	12.55	24.92	sell	209	17.91	15.02	1. 4.11
Spain	Pesetas	Pts	100	1.67	42.54	83.33	11.54	8.18	6.67	1,044	6.01	11.94	47.91	your	8.58	7.20	–.11.11
Sweden	Swedish kronor	Skr	100	19.47	492.85	971.50	134.25	95.20	77.28	12,144	69.95	138.92	557.45	1,166	product	83.74	6.19. 3
Switzerland	Swiss francs	Sfrs	100	23.18	586.82	1,158.75	160.14	113.55	92.01	14,484	83.43	165.70	664.90	1,390	119.12	world-	8. 6. 1
United Kingdom	Pounds	£	1.–.–	2.79	70.64	139.50	19.28	13.67	11.08	1,744	10.05	19.95	80.05	167	14.34	12.02	wide.

U.S. SHARE OF IMPORTS INTO SELECTED COUNTRIES

Country	1963 Imports			1964 Imports January through latest month			
	From world (million dollars)	From U.S. (million dollars)	U.S. share %	Latest month	From world (million dollars)	From U.S. (million dollars)	U.S. share %
Ireland	858	51	6.0	July	589	49	8.3
Netherlands Antilles	841	87	10.3	Mar.	202	18	8.8
Portugal	656	58	8.9	Aug.	457	55	12.1
Malawi	426	27	6.4	Feb.	21	[1]	[1]
Rhodesia (Southern)				July	201	13	6.5
Zambia				July	131	6	4.5
Trinidad and Tobago	375	60	15.8	June	208	26	12.5
Kuwait [2]	324	66	20.5	[1]	[1]	[1]	[1]
Iraq	319	33	10.5	Mar.	97	9	9.2
Ceylon	315	12	3.8	Sept.	339	8	2.3
Viet-Nam, Rep.	286	107	37.4	May	114	47	41.5
Sudan	280	15	5.3	May	138	7	4.8
South Arabia, Fed. of (Aden)	272	5	1.9	Mar.	75	1	1.5
Libya	239	48	20.0	June	146	37	44.8
Syria	235	16	6.9	Aug.	142	10	7.2
Burma	233	15	6.5	June [3]	105	5	5.0
Jamaica	226	68	30.3	July	164	51	31.2
Tunisia	222	24	11.0	June	130	12	9.5
Uruguay	177	27	15.4	Apr.	47	7	15.7
Ivory Coast	170	8	4.8	May	103	12	11.7
Senegal	156	6	3.6	Mar.	46	1	1.4
Angola	146	15	10.1	June	75	7	9.0
Mozambique	143	9	6.0	May	65	2	3.8
Jordan	142	20	13.7	Aug.	99	25	24.9
Cyprus	135	6	4.2	Aug.	68	5	7.5
Ecuador	129	50	38.6	June	76	[1]	[1]
Malagasy, Rep.	128	4	3.4	July	79	3	3.2
Ethiopia	111	14	12.4	June	56	[1]	[1]
Iceland	110	13	12.0	Sept.	91	12	12.6
Cameroon [4]	108	5	4.9	Feb.	18	1	3.8
Cambodia	107	12	11.0	July	43	2	4.5
Bolivia	104	50	47.7	June	47	[1]	[1]
Malta	84	1	1.5	Apr.	30	1	2.2
Sierra Leone	84	4	5.2	May	44	2	4.1
Bahamas	79	45	57.4	[1]	[1]	[1]	[1]
Martinique	74	4	5.2	May	31	1	4.7
Reunion	70	[5]	0.6	May	35	[5]	0.5
Guadeloupe	69	4	6.1	May	31	2	7.6
Mauritius	68	2	2.8	June	36	1	3.1
British Guiana	63	[1]	[1]	Apr.	30	7	21.7
Congo Rep. (Brazzaville)	62	4	6.9	June	30	1	4.9
Surinam	59	20	34.6	Feb.	13	[1]	[1]
Barbados	58	8	13.2	Mar.	15	2	14.9
Bermuda	55	26	47.0	Aug.	39	18	45.9

Note: To present comparable statistics for all countries, import data have been adjusted from f.o.b. to c.i.f. for the following: Netherlands Antilles, Malawi, Rhodesia (Southern), and Zambia.

[1] Not available. [2] Excludes oil company imports. [3] Port of Rangoon only. [4] Data refer to East Cameroon only. [5] Less than $500,000.

Sources: Official trade statistics of listed countries. International Monetary Fund, *International Financial Statistics*.

Factory in India gets AID 'Cooley' loan

The U.S.-affilated firm of United Carbon India, Ltd., has been given a loan in Indian rupees equivalent to $2,957,000 to help finance building of a plant at Thana, India.

The Agency for International Development loan will be repaid in 12 equal semi-annual installments, starting in 1967, with 7% interest per year.

The firm was incorporated in India in 1962 by United Carbon Co., a Delaware corporation, and a number of Indian participants. It plans to complete the plant early in 1966, providing India with its second facility for manufacture of carbon black.

The rupees which AID is lending to the firm consist of local currency paid by India for surplus agricultural products from the United States. A portion of such money is set aside, at the time of the sale, for such "Cooley" loans. These loans are made to U.S. or U.S.-affiliated companies wishing to invest abroad, or to foreign companies investing in enterprises which will increase U.S. exports of agricultural products.

The carbon black product is used as a reinforcing agent in rubber and about three-forths of that produced is sold to tire manufacturers. The Thana plant is designed to produce 30 million pounds of the product per year with room for expansion up to 60 million pounds.

United Carbon Co. is a division of Ashland Oil and Refining Co., Ashland, Ky.

Among the Indian participants are the Central Bank of India, a large commercial bank, whose vice chairman, C. H. Bhabha, now serves as Chairman of United Carbon, India; the Morarka family of India, and the Maharajah of Kashmir.

The design and construction contract for the plant has been awarded to Brown and Root, Inc., Houston, Texas. Engineering costs are estimated at $714,000.

FLEXIBLE TUBES

Manufacturer of light flexible tubes, (especially made of plastic, coated textiles, or plastic reinforced with textile) for various industrial uses, such as ventilation, compressed air seeks licensing rights on flexible tubes different from or complementary to what they already manufacture.

Write: SEMA, S.A., 21 rue Louis-Blanc, Courbevoie, Seine, France.

He followed orders— exports zoomed 29%

By Neil C. Hurley, Jr.

Chairman, National Export Expansion Council

It was two days before Christmas. The Secretary of Commerce and Mrs. Hodges were tossing off a mug of skim milk, eggs and nutmeg served by charming ladies of his office. The fifth floor private colosseum where he worked was filled with friends and staff.

The Secretary's department parties have never approached the hilarity of Times Square on the eve of a New Year midnight, but this day last month, sporting a vest as red as a bartender's eyes, he was jovial, with a firm handshake and a cherubic smile, as warm as the glow from his woodburning fireplace.

Luther Hodges could not let an audience sit idle without humor, laughs and wit. But despite the gaiety and jaunty air, this day punctuated the departure from public service of a great American, and numbers of guests felt low enough to require decompression on departing. It was over. Four brilliant, dazzling, glamorous, fruitful years.

In 1960 when President Kennedy selected him to be the first person to serve in his cabinet, Hodges was given one instruction: "Make export grow." This the Secretary did, a thumping, zooming 29% more. With drumfire attack he turned business awareness to foreign markets.

A hundred years from now, when some historian looks at the early sixties, this may perhaps be the most significant of achievements.

Time is Luther Hodges's most precious commodity and he spends it like a miser. He never says good-bye on the telephone, but hangs up when conversation is finished. His secretary once broke her arm and phoned at 8:15 going into the operating room. "Try and get here by 11," Hodges answered. A few of his staff set watches ten minutes ahead.

Once in New Orleans this corner was a minute late, arriving at 6:01 A.M., an hour when only J. Edgar Hoover should be working. "Good evening," remarked the Secretary with coolness. Another time in Costa Rica, he departed the hotel on the precise minute on a trip before sun-up, leaving us, the only cautious driver in Latin America, to catch up. We halted the plane as it was moving on the apron.

Hodges kept a terrific schedule. One day, a completely normal day, he had appointments with 3 people before 9 A.M., went to a congressional hearing, addressed the advertising council, had luncheon with a group of scientists, all in time to leave for an overseas trip by 2:30 in the afternoon.

If he was the oldest man in the cabinet in age, he thought more youthfully than playoff players in the U.S. marble championship. When his age was brought up by the Senate Committee to confirm his appointment, Hodges agreed he was the eldest by some years of others nominated for cabinet positions, but reminded the Senators he was the only one recommended who still drove a Thunderbird.

Hodges kept appointments with the precision of the June Taylor Dancers. Shortly after the nomination of Senators Kennedy and Johnson, he was requested by both men to meet with them and a few others in Washington. His plane was late and the meeting was held up a half-hour. Hodges arrived red-faced, flushed and genuinely embarrassed.

To avoid a recurrence after the election, when President Kennedy invited him to Palm Beach, he took a train. A derailment made him late again. The only man the Secretary ever kept waiting twice was the President of the United States.

At one time, talking to a visitor in his office, his secretary reminded him of a meeting with a textile group a minute before. He excused himself, rushed into the meeting room and delivered a sprightly ten minute speech to a silent audience. He found out later, he was in the wrong room, talking to some hardware men, who, though puzzled, applauded briefly.

An intimate friend once said: "How does it feel to lead a life like yours? You started as secretary for Marshall Field. You wound up a Secretary. No improvement." Hodges roared.

He was a traveller born to rail and air. Once, accompanying him on a trip, we slept in seven countries in seven days. On another occasion we said good-bye in Washington when he left for Germany and Spain, then met him six days later in Chicago, bright and fresh as a TV commercial. "He's been on more runways than Gypsy Rose Lee," remarked a staff member.

Hodges is a chain joker. Walk into his office and chances are he would say, "What's new—stories, I mean." The Secretary enjoyed a story, some not always as scrubbed as they might be. But as a worrysome statesman in a post not always recognized as significant by businessmen, he used them to create conviviality and to relax visitors. He flared with vigor and delight.

But through it all, the light touch and the punishing work, this former North Carolina Governor delivered when instructed by the President to make export grow. He gave direction to his 30,000 man department. He spruced it up, made it important, and brought it life, color and excitement.

But most of all, he gave it style.

So long, Governor. You made the rest of us look good.

Extra copies of this issue

World Trade Outlook

available 35¢ each

Write: Supt. of Documents, U.S. Government Printing Office, Washington, D.C. 20402

IN SPAIN

1965 will be good year

U.S. exhibit at Barcelona International Fair in June to feature machine tools

Industrial metalworking equipment will be featured at the U.S. exhibition of the Barcelona International Fair, June 1 to 15.

The Bureau of International Commerce has invited U.S. firms to demonstrate and sell their products in this exhibit.

A recently returned U.S. Trade Mission to Spain reported that 1965 promises to be a particularly good year for the sale of sophisticated numerically-controlled machine tools and transfer line machinery. Sales should be stimulated by Spain's four-year industrial development plan.

The Spanish economy has been expanding 6% a year. To spur this growth, the Spanish Government is emphasizing the replacement of obsolete manufacturing equipment with modern tools. The development plan has allocated large sums to assist this modernization.

Additional information about international trade fairs and trade center shows is available from the Bureau of International Commerce, Office of International Trade Promotion, Department of Commerce, Washington, D.C., 20230.

The plan sets production goals between 1964 and 1967 amounting to a 96% increase in output of crude and semi-manufactured steel; 216% in the production of automobiles; 208% in production of tractors, and 107% in machinery. The plan anticipates the metal processing industry, excluding basic metal production, will make investments of about $117 million by 1967.

Imports of metalworking machine tools, which totaled $34 million in 1963, are expected to continue rising substantially. There are no restrictions on machine tool imports, and on a large number of items the duty is only 1%.

Spanish manufacturers are producing enough standard, good-quality and low-priced equipment but are not turning out goods with advanced design. Spain, therefore, will depend on imports for modern equipment during the next few years.

The automotive industry, for one, presents challenging opportunities for the manufacturers of high-speed, high-production, sophisticated machinery. U.S. manufacturers of metal-forming and stamping tools and specialized aircraft equipment will also find a ready market.

A market survey conducted in Spain by a private firm for the Bureau of International Commerce suggests U.S. manufacturers will find the best opportunities in the following categories:

Machine tools and metalworking equipment, especially numerically controlled tool changers, milling, drilling and punching equipment; portable power tools of all types; pneumatic tools, accessories and controls, including air compressors, air-supply, and regulatory equipment; and welding equipment, including arc, gas and resistance welders.

The International Fair in Barcelona attracts the principal buyers throughout Spain and neighboring countries. Last year, the total attendance was 1.1 million, including 16,000 buyers from 49 countries.

Write: Herbert Lindstrom, Projects Officer, Code 8195, Bureau of International Commerce, Department of Commerce, Washington, D. C. 20230.

U.S. participation in Paris Air Show to be joint government-industry effort

Civilian, military exhibits to be coordinated; Business Information Center planned; advanced aircraft to be shown

American aerospace exporters participating in the Paris Air Show will be assisted for the first time by the Bureau of International Commerce.

BIC will coordinate U.S. civilian and military exhibits and also will operate a Business Information Center at the June 11-21 show.

Objectives of the joint industry-government concept are: to promote foreign sales of U.S. aerospace products and services; to assist U.S. manufacturers in developing high-level foreign government contacts; to provide coordinated interdepartmental Government support for commercial activities, and to develop market evaluations.

A. Roe Preston, Commercial Exhibit Manager for the Department's Bureau of International Commerce, has been named coordinator for the show. He will assist manufacturers in mounting and operating their exhibits, making sales, clearing customs, and facilitating contacts with Paris Air Show authorities.

Preston also will supervise a joint U.S. Information Center which will include members of Defrepnam (Defense Representatives to NATO and the Mediterranean), EUCOM (European Command), and the U.S. Information Agency.

The Department of Defense will display advanced aircraft, especially those with international sales potential, and appropriate research and development aircraft. Flight demonstrations will be featured by members of the Navy's Blue Angels and the Air Force Thunderbirds.

At the 1963 Paris Air Show, 216 aircraft from 15 nations were viewed by 750,000 spectators. Visitors represented principal military and industrial aerospace consumers from around the world.

INDUSTRIAL DESIGN SHOW

All U.S. companies represented in South Africa have been invited to enter the International Exhibition of Industrial Design in Pretoria, April 20-24.

Write: South African Bureau of Standards, Private Bag 191, Pretoria, South Africa.

Record foreign trade levels keep El Salvador boom in full swing

Foreign exchange restrictions eased for Salvadorans investing in other Common Market nations; 3 savings and loans formed

Buoyant economic conditions in El Salvador continued throughout the third quarter. Coffee prices were favorable, the cotton crop was sold, new exports were growing, and figures indicate that last year's foreign trade record may be topped. Government revenue also increased, investment and industrial growth continued, and construction activity remained high.

Imports of $50 million (up from $40.6 million in third quarter 1963) continued the surge of previous months. While the U.S. share of total third quarter imports has not been determined, the United States furnished about 36% of second quarter imports.

With the majority of the country's coffee and cotton sold and shipped, exports totaled only $25 million (coffee and cotton $12.5 million), the lowest third quarter figure since 1960. However, exports for the first three quarters totaled $143 million, greater than most yearly totals prior to 1963. Although the country maintained a favorable trade balance during the first three quarters, soon after the beginning of the fourth quarter foreign exchange reserves fell below those of the same period in 1963.

Bank measures

The Central Reserve Bank took two important steps during the quarter to stimulate local credit, industrial development and investment. Credit restrictions were relaxed in three important areas: **1)** commercial banks may now maintain up to one-third of their legal guaranteed deposits in Participation Certificates of the Central Bank, paying 3% annual interest; **2)** the rediscount rate on documents representing loans granted by commercial banks for agriculture, livestock, and industrial development will be reduced to 4%; and **3)** loan paper backed by mortgage bonds will be accepted by the Central Bank for discount at 80% of face value.

Salvadoran investment in the Central America Common Market has been facilitated by a Central Bank move to eliminate certain restrictions in the 1961 Foreign Exchange Control Law. Salvadorans may now invest in the other Common Market nations if the investment has been approved by the El Salvador Government, and profits are remitted to El Salvador.

Free Trade Zone

Free Trade Zones and General Warehouses in Italy are considered to be outside the Italian customs jurisdiction.

A report prepared by the American Embassy, Rome, describes the location and explains the operation of these facilities.

For a copy on loan, **Write:** OIRE, Bureau of International Commerce, Department of Commerce, Washington, D.C., 20230.

The General Statistics Office has compiled a study of 448 industrial establishments employing 16,603 workers (payroll $6.2 million), whose production totaled $58.3 million. The five principal industries, in order of production, were (in millions of dollars): Vegetable oils, $9.6; textiles, $8.4; cigarettes, $3.6; flour products, $3.2; and beer $2.8.

During the quarter many new industries applied for the benefits available under the Salvadoran Industrial Promotion Law. These included a modern slaughterhouse, a nylon yarn plant, a steel mill, a bus assembly plant, a plant to make television receivers, radios, and record players, a kraft paper bag plant, a brassiere factory, and factories to make plastic bottle caps, brake linings, ladies dresses, cotton textiles, dolls and religious articles.

The National Housing Agency (Financiera Nacional de Vivienda, S.A.), funded earlier this year by a $3.1 million Agency for International Development loan, can now discount and deal in mortgage paper. As a result, three savings and loan companies have now been formed and should begin operations in the near future.

The country's major mortgage bank, Banco Hipotecario, applied to the Central American Bank for Economic Integration for a $1 million loan for housing construction. Building construction, already at a high level, should continue to expand under the impetus of these new funds.

An upward revision of the 1963-64 crop estimates places coffee production during the present crop year about 5% below last year's crop. This reduction is attributed entirely to the alternating coffee production cycle. Coffee exports during the 1963-64 crop year totaled 1,709,503 sixty-kilogram bags, a 31% increase over the previous year.

Production of lint cotton during 1963-64 totaled 73,081 metric tons, a 1% increase. Poor weather conditions just prior to harvest reduced yields, and was the principal factor responsible for this small production increase. The outlook for the present crop year is for a record breaking crop of 84,000 metric tons, based on an increase in acreage and yields over last year.

Production of the main food crops (corn, rice and beans) was down in 1964, due to poor weather and disease problems. As a result, substantial quantities of these commodities are being imported from other Central American countries.

Electric power expansion

El Salvador continues to expand its already extensive electric power grid. A 15,000-kilowatt unit at Lake Guija in the northwestern part of the nation was inaugurated last February. A fifth generating unit is being installed at El Salvador's main power station—the 5th of November Dam—located on the upper Rio Lempa River near the Honduran border. When completed, the station's output will be 82,000 kilowatt hours.

Work is also progressing at Acajutla, the country's principal port, on a small 6,600-kilowatt gas turbine generator designed to meet emergency demands until a 30,000-kilowatt steam plant now under construction is completed.

The new National Minimum Wage Council, installed Sept. 7, is composed of three government, two employer and two labor representatives. The council has not yet made any announcement concerning its plans, but it will probably give priority to the lowest paid agricultural workers.

New report confirms suspicions: 1965 to be another banner year

BDSA report gives outlook in 50 large manufacturing industries; much of 1964 gains attributed to tax cuts, may be more in '65

Soothsayers in the Business and Defense Services Administration gathered in solemn conclave last New Year's Eve and, with their mixtures of vital economic ingredients, conjured up a dazzling vision of unparalleled prosperity in store for the United States for 1965.

Before scurrying off to toast the departing year, which was quite a beaut in its own right, they jotted down their impressions. Now these predictions have been gathered together in a 180-page booklet describing the 1965 prospects for 50 of the largest U.S. manufacturing industries, the construction sector, and selected service industries: Not that anyone really expected gloomy tidings, but it is nice to know which areas are expected to do *particularly* well.

The projections prepared by BDSA's economists show generally continued growth to record heights. The statement for each individual industry explains the bases for the detailed projections and reviews the major problems of the industry.

The industries covered in "U.S. Industrial Outlook 1965" account for about one-fifth of the gross national product. The book cautions, however, that its projections should in no way be considered as a projection of the entire economy's 1965 performance.

Inter-related

Each outlook study contains sections on world production and trade, industry problem areas, and graphs.

While it is apparent that not all industries grow at equal rates, the growth of most industries are inter-related. Steel growth depends upon increasing demand for automobiles, cans, machinery, and so on down the line. In turn, the ferroalloys and steel castings industries depend on rising steel activity. Each industry chapter tries to relate its own particular industry's growth to the growth of associated and dependent industries, based on historical statistical relationships among them. Predictably, industries which have been growing most rapidly in recent years are expected to show the most rapid growth during 1965.

The booklet attributes part of the robust 1964 performance to tax cuts which became effective during the year. Approximately two-thirds of the total reductions occurred in 1964, so the remaining third, all to become effective in January, should further stimulate the 1965 performance. The report states that if proposed excise tax cuts take place this year they would provide an additional stimulus to the economy.

Copies can be obtained for $1 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Israel to buy U.S. goods under Food for Peace

A Food for Peace agreement between the U.S. and Israel will provide for the sale of $17.4 million worth (including certain ocean transportation costs) of U.S. agricultural commodities for Israeli pounds.

The commodities to be purchased under Title I, Public Law 480 are feedgrains (approximately 8.3 million bushels), $12.2 million; rice (approximately 66,000 hundredweight), $400,000; beef, excluding canned (approximately 6.6 million pounds), $3 million; tobacco (approximately 265,000 pounds), $200,000.

The agreement provides that 20% of the Israeli pounds received in payment to be set aside for U.S. uses; 65% will be made available for loans to finance economic development projects in Israel; and the remaining 15% will be available to Israeli and U.S. private enterprise.

U.S. firms share in huge sale of Australian iron ore to Japan

Discovery of vast reserves is revolutionizing Western Australia

Japan has become a major buyer of Australian iron ore in the largest long term export deal in Australia's history, and 2 U.S. firms are playing a significant part in the undertaking. Ten Japanese steel companies will purchase 82 million tons of ore valued at approximately $757 million over a 17-year period.

The purchases will be from Hamersley Iron Proprietary, Ltd., approximately 65.5 million tons, and the Mount Goldsworthy Company, approximately 16.5 million tons. The companies are developing the vast iron ore deposits in the State of Western Australia and represent a partnership of Australian and American capital.

Partners

The Hamersley Iron partners are Conzinc Riotinto of Australia Ltd. and the Kaiser Steel Corporation. The Mount Goldsworthy consortium comprises the Cyprus Mines Corporation, Los Angeles, the Utah Construction and Mining Company of San Francisco, and the Consolidated Gold Fields (Australia) Proprietary, Ltd. Deliveries are scheduled to begin in 1966.

Earlier in 1964, a group of Japanese steel companies also signed a contract to purchase more than five million tons of iron ore valued at approximately $69 million from the Western Mining Corporation. Deliveries under this contract will also begin in 1966.

May buy more

The Australian news announcement indicated that the Japanese steel group said it was interested in an offer from Mt. Newman Iron Mines to sell Japan between 75 and 100 million tons of ore over a period of years.

The recent discovery of vast iron ore deposits in Western Australia resulted in the Commonwealth Government lifting its embargo on iron ore exports in 1960.

Huge sums are now being spent by companies developing the new field, not only in the mines, but in building railways and ports to enable commercial exploitation of the deposits.

A spokesman for the Japanese steel industry has forecast that Australia would become one of Japan's major suppliers of iron ore because its geographical position compares favorably with other sources in South America and South Africa.

British corporation loses export rights

Murphy Brothers, Ltd., a corporation engaged in building and civil engineering and bulk transport and haulage business in England, and P. J. Murphy, an official of the firm, have been denied all U.S. export privileges for at least two years for illegal reexport from England to Cuba of five tractors of U.S. origin.

Two of the tractors were units in bulldozers and three had scraper attachments, but the evidence did not establish that the bulldozer and scraper attachments came from the U.S.

The sanctions were applied by the Department of Commerce's Bureau of International Commerce (BIC) after an investigation. While nominally the sanctions continue for the life of the Export Control Law, the respondents will have their export privileges restored conditionally after two years, provided they have lived up to all the requirements of the Export Control Law in the interim.

The sanctions apply both to commodities and technical data. All outstanding validated export licenses in which the respondents have an interest are cancelled; restrictions imposed on them apply to all their agents or employes; and other parties are forbidden to participate in any export transaction with them which involves U.S. goods or technical data.

Eximbank lends $17 million for goods, services to India

The Export-Import Bank has authorized a $17 million loan to assist in financing for the Varanasi Locomotive Works, vital to modernization of India's railways.

The new loan, Eximbank's second for the Works, will cover dollar costs incurred in purchasing and shipping to India components to be used in the fabrication of 80 diesel locomotives.

In 1963, the Bank authorized a $19 million loan to help finance construction of the Varanasi Locomotive Works and to provide components for 29 locomotives. The first Varanasi locomotive was placed in service in 1963.

Today 11 of the new locomotives are hauling heavy freight on three main lines. No service failure or defect has been reported and performance is reported to be as good as or better than that of imported locomotives.

Supervision and training at the Works, as well as supplies of components, is provided by Alco Products, Inc., second largest diesel locomotive maker in the world. In addition to local training, Alco has brought a number of shop foremen and supervisors from Varanasi to study at its U.S. plants.

Primary obligor of the new loan is the Government of India, which owns the Indian railway system, including the Varanasi Works. The system is operated independently, providing revenue to the central government. The loan is repayable over 12 years beginning in 1968.

Upon completion of the locomotive works, India will be self-sufficient in the manufacture of diesel locomotives, saving some $46 million in foreign exchange annually.

AID guaranties protect Caribbean investments

U.S. private investments in two Caribbean countries have been insured against specific risks through guaranties issued by the Agency for International Development.

In Trinidad, W. R. Grace & Co. of New York has invested more than $11 million to expand the chemical manufacturing facilities of Federation Chemicals, Ltd. The additional facilities will enable Federation Chemicals to expand its production of anhydrous ammonia, whose principal raw material is natural gas obtained locally. Foreign exchange earnings of Trinidad and Tabogo will be increased.

The AID guaranties insure the Grace company against inability to convert local currency receipts into dollars and against loss from expropriation, war, revolution or insurrection.

Similar guaranties have been issued to protect investments in the Dominican Republic made by the Central Romano Corp. and the Central Romano By-Products Co. Inc. of New York. The firms are expanding and modernizing their plants in the Dominican Republic for production of sugar, molasses and furfural, a by-product made from sugar cane residue.

AID investment guaranties are available for the protection of such U.S. private investments in any of more than 60 developing countries.

The issuance of guaranties is one of several AID programs which assist U.S. private investors to participate in economic and social development.

Spanish steel company gets $14 million Eximbank loan

The Export-Import Bank has authorized a loan of $14 million to Empresa Nacional Siderurgica, S. A. (ENSIDESA), a major integrated steel producer located in Aviles, Spain.

The loan will finance equipment and related services needed to install a new slabbing mill and other facilities to be exported from the U.S. A portion of the loan will be used to pay ocean freight via U.S. ships. This expansion program is based on recommendations of Armco Steel Company, technical adviser to ENSIDESA.

Major suppliers under the new loan will be Blaw-Knox Company as prime contractor and International General Electric Company for electrical components. Numerous subcontractors will also benefit. As with all Eximbank loans, proceeds of the new credit will be spent in the U.S.

Including the new loan, Eximbank has authorized some $40 million in loans to ENSIDESA over the last five years. At the present time ENSIDESA is engaged in an expansion program which will reduce Spain's reliance upon other European countries for its steel requirements.

The new loan is repayable over 12 years beginning in 1968 and is guaranteed by the Spanish Government.

U.S., Dahomey sign Food for Peace pact

The U.S. will sell the Republic of Dahomey $269,000 worth of milled rice—abouth 44,000 hundredweight—under a Food for Peace agreement.

The value includes certain ocean transportation costs. Payment will be in Dahomey francs.

The agreement, negotiated under Title I, Public Law 480, will provide rice to help meet increasing consumer needs and assist in the financing of economic development projects in Dahomey.

This first Public Law 480 agreement with Dahomey provides that 35% of the francs received in payment be set aside for U.S. uses; 50% will be made available for loans to finance economic development projects in Dahomey, and the remaining 15% will be available for loans to U.S. and Dahomey private enterprise.

Sales will be by private U.S. traders. Purchase authorizations will be announced later.

Peruvian Congress enacts new tax laws; additional levies put on alcoholic beverages

The Peruvian Congress has enacted a series of new tax measures to raise revenues required by the Government to meet a budget deficit reported at about $81 million.

Law 15,221 increases the tax rate on mining profits from 30% to 35%, the same rate which is applicable to profits of commercial enterprises.

Law 15,222 imposes additional consumption taxes on domestic and imported alcoholic beverages taxing imports more heavily.

Law 15,223 increases the sales tax from 4.5 to 5%.

Law 15,225 increases the tax on real estate transaction to 6%; the tax on used car sales to 5% and the tax on all public deeds involving the organization of companies, and other contracts to 2%.

Complementary tax raised

Law 15,228 increases the complementary tax on income from credit operations obtained in Peru by individuals or corporations resident abroad from 15% to 20%.

Law 15,228 also establishes the following tax rates on: dividends on bearer shares, 35%; dividends on nominative shares held by foreign corporations, 25%; dividends on nominative shares held by domestic corporations, 25%;

Dividends on nominative shares held by domestic natural persons and exempt from the complementary tax, 20%; undistributed profits, 10%; (Undistributed profits in excess of 100 percent of capital must be distributed or capitalized within 6 months after the close of the accounting period); royalties and similar types of income, 25%;

Rental income from rural and urban real estate, professional fees, and noncommercial services, of individuals and corporations resident abroad, 25%; interest credited by affiliates to their foreign principals, 25%.

The foregoing changes should be noted in the Overseas Business Report, *Establishing a Business in Peru,* Part 1, No. 62-78.

For copies of Law 15,228 in Spanish, **Write:** OIRE, Bureau of International Commerce, Washington, D.C., 20230.

Peru has imposed additional consumption taxes on domestic and imported alcoholic beverages under Law 15,222. Previously, the Government had increased, on August 19, 1964, the import duty on distilled liquors.

Itemized

The additional consumption taxes are as follows:

Domestic Products

Cane alcohol from direct distillation, $0.44 per absolute liter; alcohol from sugar molasses, $0.50 per liter; grape alcohol, $0.17 per liter; portable rums, $0.20 per liter (actual volume); common wines, $0.03 per liter; hydromel (mead), $0.03 per liter; choice wines (vinos generosos), $0.04 per liter; champagne, $0.22 per liter (in addition to 8% luxury tax); cider, $0.19 per liter; vermouth, $0.06 per liter; liquors, $0.11 per liter; beer, $0.07 per liter.

Imported Products

Alcohols, $0.75 per absolute liter; whisky, $0.45 per liter; gin, $0.37 per liter; cognac, $0.37 per liter; liquors, $0.37 per liter; common wines, $0.18 per liter; choice wines (vinos generosos), $0.22 per liter; champagne, $0.44 per liter; sparkling wines, $0.29 per liter; cider, $0.29 per liter; beer, $0.19 per liter.

Domestic liquors made with imported essences or extracts, sold with names, containers, and labels similar to foreign products, are subject to a tax equivalent to 50% of the corresponding tax applicable to imported liquors.

Exemptions provided

As an encouragement to exporters, Law 15,222 provides 10-year unlimited exemptions from payment of export taxes and surcharges to exporters of alcohols, brandies (aguardientes), "pisco", wines, liquors, beer, and alcoholic beverages.

Exports of sugar molasses, also, are exempted from all export taxes and charges, except for a variable tax applicable when the f.o.b. quotation at the Peruvian port exceeds approximately $1.90 per metric ton.

The above changes should be noted in the Overseas Business Report Foreign Trade Regulations of Peru, 64-99.

For copies of Law 15,222 in Spanish, **Write:** OIRE, Bureau of International Commerce, Washington, D.C., 20230.

EFTA reduces tariffs on industrial goods

The European Free Trade Association has reduced by 10% the tariff on industrial goods traded among its seven members—Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom. (This reduction does not affect the 15% surtax on imports recently levied by the U.K.)

This reduction brings the general level of EFTA tariffs on industrial goods to 30% of the customs duties in force on Jan. 1, 1960.

The EFTA has no common tariff for trade with non-members; each member negotiates and maintains its own tariff schedule for third-country trade.

The recent reduction applies to imports from Finland, an associate member of EFTA, but the Finnish tariff itself will not be reduced to 30% of the Jan. 1, 1960, level until this March 1.

All Kuwait importers must obtain licenses

All Kuwaiti private and commercial importers are now required to obtain a general import license from the Ministry of Commerce in order to import goods, materials and equipment from abroad. These import licenses are valid for only one year and must be renewed annually.

Under Ordinance No. 43/1964, import licenses may be granted only to Kuwaiti citizens, firms in which all partners are Kuwaitis, and shareholding and limited liability companies in which Kuwaitis own not less than 51% of the stock.

However, partnerships between Kuwaitis and non-Kuwaitis may be issued temporary non-renewable import licenses valid for two years from the effective date of the law.

Switzerland reduces duties

Import duties on 16 finished products, foodstuffs and raw materials have been unilaterally reduced by the Swiss Federal Government. The following items are affected: Storage batteries; balancing machines; leveling plates; jute ribbons; lampshades made of base metals; sleds; precooked rice dishes; canned corn; liquid food seasonings; lime; ammonia; ammonium and potassium phosphate; calcium carbide; clay pipes; and heating elements made of gray cast iron.

Malaysian tariff increases announced

The Malaysian Government has announced tariff increases on a considerable number of items in all Malaysian areas.

These increases are intended mainly to increase government revenue, although a few will also serve to protect domestic industries. Some of the changes will bring the tariff rates of the Malaysian areas more in harmony with each other.

A few tariffs, including those on gold in Malaya, and on certain textile thread and yarn and iron and steel wire in Sarawak, have been reduced or eliminated. A number of new excise taxes have been imposed in all the Malaysian areas; and in Malaya the export duty on palm nuts has been increased.

New tariffs in Malaya are now imposed on meat and edible offal not in airtight containers; certain fruits; chocolate and other food preparations containing over 50% by weight of cocoa; some alcoholic and non-alcoholic beverages; blocks for flooring, including parquet; certain building stone; some petroleum products; certain wood products; certain types of road and paving sets, curbs, and flagstones; and crown corks.

Singapore list changed

A number of changes were also made in the Singapore tariff schedule. Tariffs on certain intoxicating liquors and tobacco were increased; and Commonwealth preferential rates were eliminated for some liquor and all petroleum products.

Tariffs are levied for the first time on diesel and other fuels; lubricating oils; wax; sugar and products; certain confectionary products; some non-alcoholic beverages; some non-calcerous monumental and building stones; certain types of road and paving sets, curbs, and flagstones; benzene; saccharine and certain other artificial sweetening substances.

Sabah and Sarawak's new tariffs are levied on some meat products; a number of fruits; sugar, sugar preparations and honey; some alcoholic and non-alcoholic beverages; certain petroleum products (Sabah only); benzene; benzole; and crown corks.

For information on specific changes **Write:** OIRE, Bureau of International Commerce, Department of Commerce, Washington, D.C., 20230.

Prior deposit required

Argentine importers now are required to make prior deposits in pesos ranging in progressive scales up to 100% of the value of the import according to the degree of nonessentiality of the product in that market. Essential imports are exempt from this requirement. Deposits will be held for 180 days after the day of opening of letters of credit.

Chile makes changes in import regulations

Chile has made various changes in import regulations, now requiring any merchandise valued in excess of 5% above the declared value, and all merchandise valued over $1,000 more that the declared value, to pay a prior deposit 50% higher than the original prior deposit.

All imports which have completed the regulatory waiting period of 120 days after shipment by March 31, 1964, are now eligible for coverage via the futures market. (INTERNATIONAL COMMERCE, Nov. 23, 1964, p. 23).

In another action the Central Bank announced that import registrations made after Jan. 1, 1965 must show the volume and value of similar imports made by the importer during the prior calendar year and during the current year up to the date of the registration application (Central Bank Circular 455 of Dec. 24, 1964).

This regulation appears to anticipate passage of a bill recently introduced into the Chilean Congress which would give the Central Bank power to reject import registration applications to conserve foreign exchange.

One amendment to the bill would permit import applications to be denied only when the total value of applications for a particular month exceeded the prior year's monthly average by more than 5%.

Industrial items freed

Denmark has freed from import license certain goods including maltose and sucrose, adhesive tape, carbon paper, sacks and bags, ironing machines, centrifugal dryers, wringers, steam presses and mangles, and taps, cocks, valves and similar appliances for pipes, boilers and tanks.

Year's quotas set for EEC countries

The Official Journal of the European Economic Community (No. 208 of 12/4/64) has published tariff quotas valid from Jan. 1 through Dec. 31, for specified products imported from third countries for use in EEC Member States.

Duties for the in-quota products can be no lower than those applied to the same items when imported, accompanied by a circulation certificate, from another Member States.

The following list shows the Common External Tariff numbers, products, countries, quotas in metric tons or kilograms, and their reduced duty rates in percent ad valorem:

2916AIIIa—Crude calcium citrate, F.R. Ger., 2,000 m.t., 1.1; 2944D—Erythromycin, F.R.Ger, 800 kg, 2.2; 2501AI—salt, Belg.-Lux., 160,000 m.t., free; ex4502—Nat'l cork, blocks, plates, sheets, strips, F.R.Ger., 155 m.t., 1.8; ex4502—Nat'l cork, blocks, squares for cork m'f'g, F.R.Ger., 4 m.t., 4.35; 4502—Nat'l cork, blocks, plates, sheets, strips, incl. blocks, or squares for cork m'f'g, Netherlands, 15 m.t., 1.8; 4502—Nat'l cork, blocks, plates, sheets, strips, incl. blocks or squares for cork m'f'g, Belg.-Lux., 25 m.t., 1.8; 5004—silk yarn, not for retail sale, F.R.Ger., 60 m.t., 2.1.

5005—Yarn spun from silk waste other than noil, not put up for retail sale, F.R. Ger., 140 m.t., 0.75; 73020—Ferrosilicomanganese, F.R.Ger., 38,000 m.t., free; 7302AII—Ferromanganese, noncarburized, Netherlands, 100 m.t., free; 7302D—Ferrosilicomanganese, Netherlands, 400 m.t., free; 7302EI—Ferrochromium, Netherlands, 200 m.t., free; ex7302H—Ferrovanadium, Netherlands, 4 m.t., free.

7302C—Ferrosilicon, Netherlands, 3,500 m.t., free; ex7302G—Ferrotungsten, Netherlands, 4 m.t., free; ex7302H—Ferromolybdenum, Netherlands, 18 m.t., free; 7302C—Ferrosilicon, Belg.-Lux., 14,000 m.t., free; 7302EI—Ferrosilicon, Belg.-Lux., 4,000 m.t., free;

ex7302H—Ferromolybdenum, Belg.-Lux., 400 m.t., free; 7302AII—Ferromanganese, non-carburized, Luxembourg, 25 m.t., free; 7302D—Ferrosilicomanganese, Luxembourg, 5 m.t., free; ex7302G—Ferrotungsten, Luxembourg, 25 m.t., free; ex7302H—Ferrovanadium, Luxembourg, 2 m.t., free.

U.S. Trade Mission to Spain reports more licensing, joint venture offers

Two Spanish firms are interested in having U.S. companies manufacture their products in the U.S. Others seek licenses and joint ventures to produce a variety of U.S. products in Spain including printing inks, molded plastic parts, hand drills, machine tools and rolling mills.

Licenses offered

Spanish firm that has developed a new type of automatic door closing device wishes to license U.S. firm to produce this item in the U.S.

The product has been granted patents in Spain, Belgium and Paraguay and applications are pending in many other countries including the U.S. The device is easy to install, simple to maintain and is especially effective on glass and heavy doors. **File 1298.**

A Spanish organization that has developed a device for controlling light transmission through glass desires to license a U.S. company to manufacture its product in the U.S. This product is claimed to be applicable to a wide variety of uses including industrial goggles, sunglasses, camera filters, automobile windshields, and windows. Light absorption can be controlled from 0% to 90% and can be made selective for ultra violet, infrared. **File 1299.**

Write: Bureau of International Commerce, Office of International Investment, Department of Commerce, Washington, D.C., 20230, referring to the appropriate file number.

Licenses, joint ventures sought

Spanish firm, active in several fields, seeks joint ventures with U.S. companies in order to expand its enterprises which include ceramic floor, wall and roof material, food paste, powdered soup and some dietetic foods. In addition this company operates a chicken farm and flour mill.

Write: Hijos y Hermanos de M. Barroso Leon, S.A., 21-23 Rio Malagon (Ciudad Real), Spain.

226 Textile finishing

Company interested in joint venture for expansion of complete finishing of cotton, rayon, silk and other synthetic fabrics. Largest textile print operation in Spain.

Write: S.F. Vila, S.A., San Juan de Malta 82, Barcelona, Spain.

281 Chemicals

Company owns calcium sulfide mine and manufactures sulphuric acid. Would like joint venture with U.S. firm such as paint, paper or insecticide manufacturer.

Write: Cargas Blancas Inorganicas, Plaza Urquinaona 14, Barcelona 10, Spain.

289 Printing Ink

Firm seeks license to manufacture a complete line of printing inks: letter press, offset, letterset, rotogravature, flexography, and silk-screen types. Would like to contact preferably a single firm manufacturing complete line of printing inks.

Write: Urruzola, S.A., Embajadores 225/235, Madrid, Spain.

307 Molded Plastics

Spanish firm interested in joint venture with U.S. company to manufacture molded plastic parts for automotive and home appliance industries in Spain.

Write: Productos Aislantes, S.A., POB 34, Renteria, Guipuzcoa, Spain.

354 Metalworking Machinery

Well established manufacturer seeks joint venture with U.S. firm to construct cold rolling mills for ferrous and non-ferrous metals. Company also competent in manufacture of hydraulic and mechanical presses, clam shells, crane buckets and various heavy machinery.

Write: Tiji-Talleres Iglesias S.A., Iglesias Corominas 37 al 53, Hospitalet de Llobregat, Barcelona, Spain.

Firm desires joint venture for expansion of manufacturing of small hand drills, cutters, polishers, vises, fans, motors.

Write: Talleres Casals S.A., Dr. Carulla 31, Barcelona, Spain.

Large Spanish firm desires licensing and/or joint venture to manufacture U.S. tools.

Write: Cumbre, S.A., c/San Adrian 68 y 70, Barcelona, Spain.

355 Food Products Machinery

Firm interested in obtaining U.S. license for food products machinery, hydraulic controls, refrigeration components.

Write: Construcciones Mecanicas del Estambre, Onesimo Redondo 165, Sabadell, Barcelona, Spain.

358 Refrigeration Machinery

Spanish firm seeks joint venture with U.S. company to manufacture freezing and refrigeration equipment for hotels, bars, restaurants, cafeterias.

Write: Frikey, S.A., Alejandro Ferrant 3, Madrid, Spain.

LICENSE SOUGHT

License sought to produce U.S. products complementary to present line of sporting cycles. **Write:** Raleigh Industries, Ltd., Nottingham, England.

Pakistani group wants joint venture with U.S. company

A group of prominent businessmen in West Pakistan is interested in a joint venture arrangement with an experienced U.S. firm to establish a cement plant with a planned capacity of 500 to 700 tons per day.

The group, as an association, owns or controls leases on 6,000 acres of coal, gypsum, clay and limestone bearing land, currently under production at the rate of some 100,000 tons a year overall for these minerals.

The group is in a position to provide land, buildings and local-currency working-capital but seeks U.S. participation in the venture to the extent of around $1 million in order to cover the foreign exchange component of the cost of machinery and equipment for a complete plant and technical know-how.

Because of large scale building, consumption of cement in Pakistan is increasing rapidly. In addition, prospects for the export of cement to neighboring Iran and Afghanistan are good.

Encouraged by the Pakistan Government to seek foreign participation in the venture, the group plans a 20% return on the investment, which would thus be fully recovered within five years after the plant goes into production.

Moreover, capital and profits would be freely transferable to the U.S.

Write: United Minerals Co., Court Rd., Quetta, West Pakistan.

For additional information, **Write:** Bureau of International Commerce, Office of International Investment, File 4-3241-1-H, Department of Commerce, Washington, D.C., 20230.

LIQUID PETROLEUM APPLIANCES

Manufacturer of welding equipment, medical apparatus and liquid petroleum appliances, is interested in manufacturing under license liquid petroleum appliances such as stoves, refrigerators and water heaters for domestic use and space heaters for industrial purposes.

Write: African Oxygen, Ltd., P.O. box 5404, Johannesburg, South Africa.

BEVERAGES

License sought for the production and sale of U.S. alcoholic and non-alcoholic beverages in Switzerland by producer of wines and sparkling wines, vinegar, pickles and other preserves.

Write: Bourgeois Freres & Cie S.A., Ballaigues, Canton de Vaud, Switzerland.

Indian firm wants plant to produce prefabricated houses

U.S. financial, technical assistance on joint venture basis requested

An Indian civil, structural and electrical engineering firm, and manufacturer of LPG cylinders is interested in establishing a plant to produce initially 5,200 concrete prefabricated houses a year on a joint venture basis with U.S. financial and technical assistance.

The company estimates the total cost of the project at approximately $2 million and seeks an experienced U.S. partner to provide equity capital for the purchase of machinery and equipment.

Technical know-how, including technicians for the erection of the plant and training of local personnel in India and the U.S. also will be needed.

The plant is to be located in Madhya Pradesh. Details of the joint venture have not been finalized but will be worked out through mutual negotiations with interested U.S. firms.

All raw materials required for the proposed factory are available locally except for a possible shortage of cement. It is reported that the shortage of cement can be overcome with Indian Government cooperation since various government agencies are expected to be the principal buyers of prefabricated houses.

Resources at site

Labor, electric power, water, are available at the proposed site of the plant. While an industrial license for the venture has not yet been obtained from the Indian Government, the firm believes its application will receive favorable consideration.

No statistical estimate of the current and future demand of housing in India is available, but knowledgeable sources state that there has been a progressively increasing gap between the demand for rural and urban housing and the construction of new houses. This shortage is noticeable to a marked degree in commercial and industrial areas.

Write: Gannon Dunkerley and Co., Ltd., Chartered Bank Bldg., Fort, Bombay 1, India.

For some additional information, **Write:** Bureau of International Commerce, Office of International Investment, File 4-3272-4-H, Department of Commerce, Washington, D.C., 20230.

License to produce fiber glass containers sought

An Israeli firm is interested in contacting a U.S. company capable of providing know-how for the production of fiber glass liquid bulk containers to be mounted on truck chassis.

According to the company, Israel will soon enforce long-standing, but regularly ignored, weight restrictions on commercial vehicles.

The firm would like to increase the tank truck payloads by reducing the weight of the tank itself. It would like to obtain know-how and patent rights for Israel.

Financial participation is not expected to be required. The details of payment are open to negotiation.

Write: Z. Manusevitz, Manusevitz Industries, Industrial Zone, Bat-Yam, Israel.

COSMETICS, LIQUID PHARMACEUTICALS

Manufacturer of perfumes, toilet articles, and liquid pharmaceuticals, seeks license to make cosmetics and liquid pharmaceuticals.

Write: Halmar Products, (Pty), Ltd., P.O. box 225, Jappestown, Johannesburg, South Africa.

ELECTRIC MATERIAL HANDLING EQUIPMENT

Manufacturer of a variety of hoists, cranes, lifts, and specialized handling equipment, is interested in a licensing agreement to manufacture additional lines of new and specialized electric material handling equipment.

Write: A. P. Morling, Pty., Ltd., 979 North Rd., Murrumbeena, Victoria, Australia.

HIGH VACUUM PLANT, COMPONENTS

Firm interested in manufacturing under license new U.S. high vacuum plant and components for industrial purposes including drying plant, pumps, valves, vacuum measurement instrumentation, excluding furnaces.

Write: Vacuum Industrial Applications, Ltd. Netherton Rd., Wishaw, Lanarkshire, Scotland.

Venezuelan seeks joint venture to make auto wheels

A large automotive parts and accessories importer and distributor seeks a joint venture partner to manufacture automotive wheels.

The Venezuelan company is experienced in its line and holds an important exclusive automobile distributorship for the eastern part of the country. It will primarily need technical assistance in order to begin production.

At this time, it is reported, there is no manufacturer of automobile wheels in Venezuela. Present production of automobiles is approximately 40,000 units a year and there are no imports of automobiles.

Trade sources estimate the yearly total demand of the country at approximately 250,000 wheels. The new plant should find ready acceptance by local assemblers as they are under obligation to utilize a steadily increasing percentage (by weight of the automobile) of locally produced parts and accessories.

Protection in the form of import licensing requirements would most probably be granted such a manufacturer, provided he is able to supply the market with the necessary quantity and variety of wheels.

Write: Isidoro Celma Mir, Avenida Espana, El Tigre, Estado Anzoategui, Venezuela.

For additional information, **Write:** Bureau of International Commerce, Office of International Investment, File 2-3391-1-B, Department of Commerce, Washington, D.C., 20230.

BURNER

Manufacturer of gas convectors and heaters for household use seeks license to produce new type of burner for gas convectors.

Write: Belgian Consulate General, Industrial Section, 50 Rockefeller Plaza, New York, N.Y., 10020.

LICENSE SOUGHT

Manufacturer of cereals, barley and oatmeal products seeks license to process soya for the technical and food industries and non-alcoholic fruit or mineral beverages and possibly U.S. whiskey.

Write: Gerstenmuhle AG, Lutzelfluh, Canton Bern, Switzerland.

Bids invited by Greece on NATO construction and engineering projects

Notifications have been issued for the construction of "supplementary works" such as civil, architectural and electrical-mechanical engineer's works in the a/f(*sic*) of Araxos, Tanagra and Souda. Construction costs are estimated at 27 million drachma (100 drachma = $3.35). Only U.S. firms certified eligible for NATO International Competitive Bidding and which have been cleared from a security standpoint for NATO secret may participate in this project.

Firms interested in participating in this tender should declare their interest to bid in writing to the General Air Staff, Directorate of Public Works, 9 Lycourgou St., Athens, by Feb. 1. Deadline for submission of bids is March 22.

A copy of the official notification is available to U.S. firms from the Trade Opportunities Staff, BDSA-6192, U.S. Department of Commerce, Washington, D.C. 20230.

Firms not already certified and desiring to be certified are invited to submit their brochure, current annual report which includes a financial statement and a copy of General Services Administration form 129 to the Trade Opportunities Staff.

Materials for design drawing called for in Burmese tender

Burma is offering a tender for various items including, but not limited to, the following: ozalids, graph-paper, AGFA copyrapid and bromide paper, developers, sheet film, pelikan drawing pencils, drawing ink, technical stencil graphs, protractors, drawing nibs, radiographs, high pressure mercury vapour quartz tubes, printing and developing machines, drafting machines.

The tender No. is PSO(21)64-65/7, bid deadline is Jan. 25. Bids should be submitted to the General Manager, People's Stores Corp. No. 21, Printed Matter, Stationery & Office Equipment, 181/189 Sule Pagoda Rd., Rangoon, Burma.

Copies of the tender terms and specifications are available to firms located in the U.S. from the Scientific, Photographic & Business Equipment Division, BDSA, Department of Commerce, Washington, D.C. 20230. Telephone: 202-WO 7-2939.

Tender issued by Iraq for shoe industry needs

The Directorate of Government Purchasing Board, Salim Habib Bldg., South Gate, Baghdad, has issued tender No. 2797, for this year's supplies for the shoe industry.

Some of the supplies called for are miscellaneous shoe components and finishes including butyralceluloid, tacks, nails, wooden shanks Nos. 1 through 16, emery pads, cotton threads Nos. 12, 24 and 30, standard yarn, binding canvas, special boardcard for stiffening innersoles and heels, edging inks, waxes, finishes, polishes, adhesives, egalisator for soles, isarcoll and dilution of isarcoll.

No deadline was indicated but requests for samples of each item were made. Replies should specify delivery dates.

Copies of the tender are available on a loan basis to firms located in the U.S. from the Rubber, Leather & Allied Products Division, BDSA-6290, Department of Commerce, Washington, D.C. 20230. Telephone: 202-WO 7-5103.

Iraq to build power house with diesel generator sets

The Directorate General of Planning & Design, Ministry of Municipal & Rural Affairs, Baghdad, has issued tender No. 64, with a deadline of March 16, for the supply and erection of three switchboards, overhead hand-operated traveling crane of 5 ton capacity, construction of cooling pond and power house building.

It is estimated that imported materials will comprise 70% of the total project cost.

Tender documents may be obtained from the Accounts Section of the Directorate General of Planning & Design, Ministry of Municipal & Rural Affairs, Baghdad, Iraq, upon payment of $26 including air mail charges.

One set of specifications available for review only in Rm. 4124, Power & Electrical Equipment Division, BDSA-6430, Department of Commerce, Washington, D.C. Telephone: 202-WO 7-4242.

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Phone: 247-0311.

ANCHORAGE, ALASKA, 99501, Rm. 306, Loussac-Sogn Building. Phone: BR 2-9611.

ATLANTA, GA., 30303, 75 Forsyth St., N.W. Phone: JAckson 2-4121.

BALTIMORE, MD., 21202, Rm. 305 U.S. Customhouse, Gay and Lombard Sts., Phone: Plaza 2-8460 Ext. 2784.

BIRMINGHAM, ALA., 35203, Title Bldg., 2030 Third Ave., North. Phone: 325-3181.

BOSTON, MASS., 02110, Room 230, 80 Federal St. Phone: CApitol 3-2312.

BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Phone: TL 3-4216.

CHARLESTON, S. C., 29401, No. 4 North Atlantic Wharf. Phone: 722-6551.

CHARLESTON, W. VA., 25301, 3002 New Federal Office Bldg., 500 Quarrier St. Phone: 343-6196.

CHEYENNE, WYO., 82001, 207 Majestic Bldg., 16th & Capitol Ave. Phone: 634-2731.

CHICAGO, Ill., 60604, 1486 New Federal Building, 219 South Dearborn St. Phone: 828-4400.

CINCINNATI, OHIO, 45202, 9028 Federal Office Bldg., 550 Main St. Phone: 381-2300.

CLEVELAND, OHIO, 44101, 4th Floor, Federal Reserve Bank Bldg., East 6th St. & Superior Ave. Phone: 241-7900.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Phone: Riverside 9-3287.

DENVER, COLO., 80202, 142 New Custom House, 19th & Stout St. Phone: 297-3246.

DES MOINES, IA. 50309, 1216 Paramount Bldg., 509 Grand Avenue, Phone: 284-4222.

DETROIT, MICH., 48226, 445 Federal Bldg. Phone: 226-6088.

GREENSBORO, N. C., 27402, Room 407, U.S. Post Office Bldg. Phone: 273-8234.

HARTFORD, CONN., 06103, 18 Asylum St. Phone: 244-3530.

HONOLULU, HAWAII, 96813, 202 International Savings Bldg., 1022 Bethel St. Phone: 58831.

HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Phone: CA 8-0611.

JACKSONVILLE, FLA., 32202, 512 Greenleaf Bldg., 204 Laura St. Phone: Elgin 4-7111.

KANSAS CITY, MO., 64106, Room 2011, 911 Walnut St. Phone: BAltimore 1-7000.

LOS ANGELES, CALIF., 90015, Room 1600, Western Pacific Bldg., 1031 S. Broadway. Phone: 688-2830.

MEMPHIS, TENN., 38103, 345 Federal Office Bldg., 167 N. Main St. Phone: 534-3214.

MIAMI, FLA., 33130, Rm. 1428, Federal Office Bldg., 51 S.W. 1st Ave. Phone: 350-5267.

MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Phone: BR 2-8600.

MINNEAPOLIS, MINN., 55401, Room 304, Federal Bldg., 110 S. Fourth St. Phone: 334-2133.

NEW ORLEANS, LA., 70130, 1308 Masonic Temple Bldg., 333 St. Charles Ave. Phone: 527-6546.

NEW YORK, N.Y., 10001, 61st Fl., Empire State Bldg., 350 Fifth Ave. Phone: LOngacre 3-3737.

PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Phone: WAlnut 3-2400.

PHOENIX, ARIZ., 85025, New Federal Bldg., 230 N. First Ave. Phone: 261-3285.

PITTSBURGH, PA., 15222, 1030 Park Bldg., 355 Fifth Ave. Phone: 644-2851.

PORTLAND, OREG., 97204, 217 Old U.S. Courthouse, 520 S. W. Morrison St. Phone: 226-3361.

RENO, NEV., 89502, 1479 Wells Ave. Phone: FA 7-7133.

RICHMOND, VA., 23240, 2108 Federal Bldg., 400 North 8th St. Phone: 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Phone: MAin 2-4243.

SALT LAKE CITY, UTAH, 84111, 2235 Federal Bldg., 125 So. State St. Phone: 524-5116.

SAN FRANCISCO, CALIF., 94102, Room 9453, Federal Building, 450 Golden Gate Ave. Phone: 556-5866.

SANTURCE, PUERTO RICO, 00907, Room 628, 605 Condado Ave. Phone: 725-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Phone: ADams 2-4755.

SEATTLE, WASH., 98104, 809 Federal Office Bldg., 909 First Ave. Phone: MAin 2-3300.

Three tenders to be issued by NATO call for generator sets in various frequencies

The Ministry of Public Buildings & Works will invite bids on or about Feb. 15, for generator sets: Two frequency changing motor general sets valued at £ 1200 each, input of 415 volts, 50 c/s, 3 phase and output of 2.5 kva, 118 volts, 2300 c/s, single phase; one frequency changing motor generator set valued at £ 1500, input of 415 volts, 50 c/s, three phase and output of 10 kva, 120 volts, 60 c/s, three phase; one frequency changing motor generator set valued at £ 2000 with 415 volt input, 50 c/s, 3 phase, and 25 kva output, 120 volts, 60 c/s, three phase.

Closing date of March 31 for the submission of bids has been set; however, formal notification stating desire to bid and submission of qualification documents such as financial references, details of recent contracts for comparable work must be filed by Feb. 1, with the Ministry of Public Buildings & Works, Supplies Division (P6c), Southbridge House, Southwark Bridge Road, London, S.E.1. Separate tenders are required for each item.

U.S. firms certified to participate in NATO International Competitive Bidding are eligible to submit bids. Firms not already certified may obtain further information by writing to Trade Opportunities Staff, BDSA-6192, Department of Commerce, Washington, D.C. 20230.

HF SSB radio telephone equipment bids sought

Southern Rhodesia's Ministry of Posts has issued G.P.O. tender No. 2191 calling for various items of H.F. SSB radio telephone equipment. Among the items desired are two base transmitters with a P.E.P. of 100 to 500 watts and receivers and between 10 and 20 outstation transceivers with a 60 to 150 watt output. Equipment is to operate in the 3-10 Mc/s frequency range and there shall be a choice of at least two crystal controlled channels with selection of upper or lower sidebands.

Bid deadline is March 11 at the Office of the Secretary, Southern Rhodesia Government Tender Board, P.O. Box 8075, Causeway, Salisbury, Southern Rhodesia.

Loan copies of the tender documents are available to firms located in the U.S. from the Electronics Division, BDSA-6420, Rm. 4117, Department of Commerce, Washington, D.C. 20230. Telephone: 202-967-4036.

Material handling equipment bids invited by Costa Rica

The Instituto Costarricense de Electricidad, Aptdo. XXXII, San Jose, has issued tender No. 1164 for one 19 m.t. capacity spur geared chain hoist, one manually operated, overhead, geared-type trolley and five "I" beams, one 39' 8" long and four 24' 3" long.

Bid deadline is Feb. 6.

Specifications are available in Spanish on a short-term loan basis to firms domiciled in the U.S. from the GIE & C Division, BDSA-6320, Department of Commerce, Washington, D.C. 20230. Telephone: 202-WO 7-5589.

NATO announces tender for construction of tank farms in Turkey

The Ministry of Public Works is accepting complete bids for the construction of one tank farm and connecting facilities in South-East Turkey. Total cost of the project, open only to firms certified eligible to participate in NATO International Competitive Bidding, is approximately £72.842 sterling.

The Trade Opportunities Staff, BDSA-6192, Department of Commerce, Washington, D.C. 20230, can supply the special forms required by the Ministry of Public Works for use by NATO-qualified firms in making known their desire to participate in this project. These forms must be submitted Jan. 26 to the Ministry at the following address: Bayindirlik Bakanligi, Hv. Myd. ve Aky. Tes. Ins. Reisligi, Ataturk Bulvari No. 140, Kavaklidere, Ankara, Turkey.

U.S. firms desiring certification should write to the Trade Opportunities Staff.

Civil aviation complete VHF AM station needed by Iraq

The Directorate General of Civil Aviation has issued tender No. 65/64 calling for the supply of a complete VHF AM fixed station complete with standby transmitter and receivers. The transmitters are to operate in the International Aeronautical band, the main transmitter with a power output of 300 watts and the stand-by with 50 watts. The system is to be complete with a remote control unit and high gain antenna and aerials for the receivers. The power supply will be 220 V, 50 cycle.

Bid deadline is Feb. 22.

Loan copies of the specifications are available to firms located in the U.S. from the electronics Division, BDSA-6420, Rm. 4117, Department of Commerce, Wash., D.C. 20230. Telephone: 202-967-4036.

TV broadcasting plans made

The Hong Kong Government announced that commercial television will be licensed by the Television Authority. When established, the Authority will supervise programming and advertising.

While no definite date has been established for the call for tenders, a Government spokesman indicated that it will be soon.

Inquiries may be directed to the Telecommunication Division of the General Post Office, Hong Kong Government, Hong Kong, or to the Electronics Division, BDSA-6420, Rm. 4117, Department of Commerce, Washington, D.C. 20230. Telephone: 202-967-4036.

UAR extends bid deadline

The Ministry of Communications, Postal Administration, Ataba Square, Cairo, has extended the bid deadline for the modernization and mechanization of the Cairo Railroad Post Office Traffic Center from Feb. 22 to May 22. (INTERNATIONAL COMMERCE, Oct. 26, 1964. p. 31).

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classifications. These numbers refer to the Standard Industrial Classification (SIC) Manual, which is available for $2.50 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any resultant trade relations.

The listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the Comprehensive Export Schedule or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

- ● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.
- ★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the Trade Opportunities Staff, BDSA-6192, Department of Commerce, Washington, D.C. 20230. The T.M. (trade mission) number is requested in correspondence. Requests for loan material should specify country and T.M. number.
- **WTD** indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $1 each from the Bureau of International Commerce, BIC-8120, Department of Commerce, Rm. 6059 B. Telephone: 202-WO 7-4203. The date following the letters WTD refers to the date of issuance of the report.

Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless otherwise indicated. Approximate foreign tariff rates and customs applicable to the products listed below may be obtained from the Department of Commerce or the Department of Commerce field offices.

011 Field Crop Farms

GREECE—Wheat, hard winter No. 1, moisture 13% maximum as per official U.S.A. grain standards; maize; barley. Requests replies from exporters. N. G. Sylligardakis (sales agent), 5 Sofocleous St. (P.O. Box 573), Athens. WTD 10/16/64.

149 Nonmetallic Minerals

FRANCE—Diamond, rough gem type; other precious stones; direct purchase and agency. Ets. R. Barat & Fils (wholesaler), 13 Rue Volney, Angers (Maine & Loire). WTD 11/16/64.

201 Meat Products

GERMANY—Canned meat, all kinds; requests replies from U.S. manufacturers only with price quotations c.i.f. Rotterdam; agency representation; requests replies in German. Wittelsbach & Rabe (distributor, importer), 56 Muenzstrasse, 41 Duisburg. WTD 11/24 64.

GREECE—Frozen meat and poultry. Importer-sales agent-exporter requests replies from manufacturers and/or exporters with cif Piraeus competitive price quotations. C. Carnezis & Son, 2 Vassilikis St., Athens 123. WTD 1/31/64.

203 Canning, Preserving Food

GERMANY—Canned vegetables, fruit, sea food; importing distributor requests replies from U.S. manufacturers only with price quotations c.i.f. Rotterdam; agency representation, requests replies in German. Wittelsbach & Rabe, 56 Muenzstrasse, 41 Duisburg. WTD 11/24/64.

204 Grainmill Products

TRINIDAD, W.I.—Feed supplements for swine, cattle, poultry; request replies from

manufacturers, direct purchase and agency. Smith, Robertson & Co., Ltd. (importers, wholesalers, retailers, agents), 3 & 5 Chacon St., Port of Spain. WTD 7/9/62.

213 Tobacco

● **SYRIA**—Tobacco, 430 metric tons Virginia tobacco; 170 m.t. Burley tobacco. Tender No. 106/64, bid deadline Jan. 29. Monopole des Tabacs et Tombacs, Direction Generale, B.P. 616, Damascus.★ (Telephone: 202-WO 7-4794).

220 Textile Mill Products

BELGIUM—Dacron, madras, other lightweight fabrics for men's suits; direct purchase and/or agency. Maison Van Ham S.P.R.L. (importer, manufacturer, agent), 14 Rue aux Laines, Brussels. WTD 12/14/64.

FINLAND—Cloth of imitation fur (tiger and leopard designs) for linings or apparel; requests descriptive literature, samples, price lists; direct purchase and agency. M. Fagerberg (commission agent), Mikonkatu 9, Helsinki. WTD 12/22/64.

Textile materials for women's dresses and men's suits; requests descriptive literature, price lists; direct purchase and agency. Agency Samuel Borenstein (commission agent), Fredrikinkatu 16 A, Helsinki. WTD 8/19/64.

New raw materials for manufacturing coats, other apparel for men and women; especially waterproof nylon cloth for overcoats; requests descriptive literature, price lists, quotations for short-term credit arrangements. T:mi R. Hallapera (commission agent), Kapteeninkatu 26 A, Helsinki. WTD 12/23/64.

SWEDEN—Textile piece goods, all kinds of material for manufacturing clothing; direct purchase and agency. AB Sven Wollert (importer, sales agent), Drottninggatan 73 C, Stockholm. WTD 12/11/64.

Textile piece goods of cotton, wool, synthetic fibers for men's, women's, children's clothing; particularly stretch-fabrics; direct purchase and agency. Kurt Boberg AB (agent), Kallsgatan 3, Goteborg. WTD 12/17/64.

221 Broadwoven Fabric Mills, Cotton

FRANCE—Cotton piece goods. Direct purchase and agency. Societe Longel & Cie (importer, dealer), 7 Rue de la Paix, Paris 2e. WTD 12/8/64.

GERMANY—Bed blankets, travel plaids made of synthetics, spun rayon, wool; requests replies from U.S. manufacturers only, price quotations c.i.f. Hamburg or Rotterdam. Ibena Textilwerke J. Beckmann Nachf. KG (distributor, importer), 2-4 Teutonenstrasse, 429 Bocholt. WTD 12/23/64.

222 Broad Woven Fabric Mills, Manmade Fiber, Silk

FINLAND—New materials for men's shirts; requests descriptive literature, price lists, quotations for short-term credit arrangements; agency. Tomi R. Hallapera (commission agent), Kapteeninkatu 26 A, Helsinki. WTD 12/23/64.

FRANCE—All kinds of synthetic fabrics; direct purchase and agency. Societe Longel & Cie (importer, dealer), 7 Rue de la Paix, Paris 2e. WTD 12/8/64.

227 Floor Covering Mills, Products

SAUDI ARABIA—Carpets, rugs, all types, requests descriptive brochures, literature, price lists from U.S. firms. Muhammad Mustafa 'Ashur, Aka 'Ashur Stores (importer, wholesaler, retailer), P.O. Box 738, Jidda. WTD 12/16/64.

THAILAND—Carpets. Requests catalogs, price lists; direct purchase and agency. A & F Motiwalla (importer, dealer), 316 Phahurat Rd., Bangkok. WTD 6/23/64.

228 Yarn, Thread Mills, Products

FINLAND—Hand-knitting wool, filament, silk, machine yarns; requests descriptive literature, samples, price lists, quotations for short-term credit arrangements. T:mi R. Hallapera (commission agent), Kapteeninkatu 26 A, Helsinki. WTD 12/23/64.

229 Textile Goods

HONG KONG—Used nylon bags, requires 2,000 to 3,000 kilos daily; nylon stretch yarn of 70 D/2 and 100 D/2 counts. Frederick Pordes & Co. Ltd. (importer, exporter), 209-210 Gloucester Bldg., P.O. Box 596, Hong Kong. WTD 3/13/63.

230 Apparel

SAUDI ARABIA—Ready-made wear for women, men, children; all types, outerwear, underwear; requests descriptive literature, price quotations c.i.f. Jidda. Muhammad Mustafa 'Ashur Aka 'Ashur Stores (importer, wholesaler, retailer), P.O. Box 738, Jidda. WTD 12/16/64.

232 Men's Youths', Boys' Furnishings

BELGIUM—Sports jackets for men; direct purchase and/or agency. Maison Van Ham S.P.R.L. (importer, manufacturer, agent), 14 Rue aux Laines, Brussels. WTD 12/14/64.

FRANCE—Men's and boys' wearing apparel, including shirts, coats, suits. Societe Eddy (retailer), 76-78, Ave. des Champs Elysees, Paris, 8e. WTD 12/9/64.

233 Women's, Misses', Juniors' Outerwear

FRANCE—Shirts, dresses, coats for women, misses, juniors. Societe Eddy (retailer), 76-78, Ave. des Champs Elysees, Paris, 8e. WTD 12/9/64.

234 Women's, Misses', Children's Infants' Under Garments

NORWAY—Children's, infants' underwear, nightwear. Einar Forgaard (wholesaler), St. Olavsgaarden, Stavanger. WTD 8/19/63.

236 Girls', Children's, Infants' Outerwear

NORWAY—Children's, infants' outerwear. Einar Forgaard (wholesaler), St. Olavsgaarden, Stavanger. WTD 8/19/63.

238 Apparel, Accessories

FRANCE—Belts, leather or other materials, women, children, men, boys. Societe Eddy (retailer), 76-78 Ave. des Champs Elysees, Paris 8e. WTD 12/9/64.

239 Fabricated Textile Products

THAILAND—Linen for 110-room hotel: Sheets, pillow cases, towels, washcloths. President Hotel, c/o S & C Super Market, 139/5 Gaysorn Rd., Bangkok. WTD 12/11/64.

242 Sawmills, Planing Mills

● **PAKISTAN**—Switch ties, 4,144 pcs.; bridge ties, 1,576 pcs. Acceptable U.S.A. species are: White oak, red oak, southern pine, red gum, tupelo, Douglas fir. Tender No. PD/PW/31/6, bid deadline March 15. East Pakistan Railway Board, Railway Bldg., Chittagong.★ (Telephone: 202-WO 7-3359).

251 Household Furniture

SAUDI ARABIA—All types of household furniture; requests replies with catalogs, price lists. Muhammad Mustafa 'Ashur Aka 'Ashur Stores (importer, wholesaler, retailer), P.O. Box 738, Jidda. WTD 12/16/64.

THAILAND—Twin bed size springs and mattresses for 110-room modern hotel. President Hotel, c/o S & C Super Market, 139/5 Gaysorn Rd., Bangkok. WTD 12/11/64.

264 Converted Paper, Paperboard Products

● **BURMA**—Multiwall kraft shipping sacks, 2 million, for cement. Kraft paper, 5-ply, 73.5 grs./sq.m., 28″ overall, 27″ between seams, 16½″ wide, valve size 3½″. "Horse Head" trade mark on one side in one color. Tender No. CM/Stores 1164/E.1, bid deadline Jan. 25. Cement Mills I.D.C., Thayetmyo.★ (Telephone: 202-WO 7-3965).

● Various types and quantities of paper, including unused old newspapers, 2,500 tons; white duplicating paper, various sizes, 3,185 tons; white printing paper, various grades and sizes, 4,556 tons; azurelaid paper, 201 tons; white bond paper, 320 tons; colored bond paper, 180 tons; linen finished bond paper, 100 tons; glazed newsprint, 1,973 tons; white thin printing paper, 50 tons. Tender No. 020-P(3)64/65, bid deadline Jan. 25. Secretary, People's Stores Corp., c/o Foreign Office, Prome Rd., Rangoon.★ (Telephone: 202-WO 7-3003).

● **TUNISIA**—Multiwall kraft shipping sacks 1,800,000 for 50 Kgs sugar, kraft paper, 4-ply, 75 grs./sq./m., 60 cm. by 84 cm. between seams, valve 15 cm., diameter 9.5 cm., 2 color printing. Bid deadline Jan. 30. Societe Tunisienne du Sucre, 1 Rue du Caire, Tunis.★ (Telephone: 202-WO 7-3965).

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

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281 Industrial Chemicals

FINLAND—Anti-corrosive chemicals, related products; requests descriptive literature, price lists; agency and/or direct purchase. Agentuuri Dahlstrom (commission agent), Munkkiniemen puistotie 17 A 10, Helsinki-Munkkiniemi. WTD 12/16/64.

GERMANY—Fine chemicals for pharmaceutical, cosmetics industries, laboratory use. Direct purchase and agency. Th. Geyer KG (manufacturer, wholesaler, exporter, importer), 7 Stuttgart-W, Lindenspuerstrasse 15B. WTD 12/22/64.

Citric acid, ammonia carbonate, potassium bromide, potassium iodide, powder talc, petroleum jelly, liquid parafin; value $10,000; caustic soda, value $5.000; direct purchase and agency. Maqi Chemical Industries Ltd. (importer, distributor), 231 G.T. Rd., Baghbanpura, Lahore. WTD 12/17/64.

283 Drugs

PAKISTAN—Vitamins, value $1,000; sulphadimidine, sulphathiazime, value $1,500; drugs,

medicines for humans, value $25,000; direct purchase and agency. Maqi Chemicals Industries, Ltd. (importing distributor), 231 G.T. Rd., Baghbanpura, Lahore, West Pakistan. WTD 12/17/64.

284 Detergents, Cleaning Preparations

FINLAND—Automobile waxes, polishes; requests descriptive literature, price lists; agency, and/or direct purchase. Agentuuri Dahlstrom (commission agent), Munkkiniemen puistotie 17 A 10, Helsinki-Munkkiniemi. WTD 12/16/64.

SOUTH AFRICA—Detergents, all types, for hospitals. Medical, Industrial & Allied Services (Pty) Ltd. (importer, agent), P.O. Box 311, Saxonwold, Johannesburg. WTD 12/23/64.

285 Paints, Varnishes, Laquers, Enamels

FINLAND—Marine and other paints; related products; requests descriptive literature, price lists; agency, or direct purchase. Agentuuri Dahlstrom (commission agent), Munkkiniemen puistotie 17 A 10, Helsinki-Munkkiniemi. WTD 12/16/64.

TRINIDAD—All types of new and improved insecticides, pesticides, fungicides, herbicides for agricultural purposes; fertilizers; fertilizer materials; request replies from manufacturers; direct purchase and agency. T. Geddes Grant Ltd. (importers, wholesalers, retailers, agents), 1 Chacon St., Port of Spain. WTD 8/17/64.

289 Chemical Products

● **GREECE**—Supply of 175,000 units of instantaneous electric detonators with azide charge in aluminum alloy caps of No. 8 detonating power; 525,000 units of delay electric detonators, with incorporated delay element; 270,000 kilograms of dynamite gelatine, 30% nitroglycerine, gelatinized, conforming to specification on invitation. Tender No. YL-LA-2104-2107, bid deadline to be set. Public Power Corp. (DEH), Purchasing Division, 30 Chalkokondyli St., Athens 102.★ (Telephone: 202-WO 7-2067).

291 Petroleum Refining

● **GREECE**—Lubricating oils and greases, cylinder oil, 225,000 kgs. Tender No. 6976, bid deadline to be set. Hellenic State Railways (SEK), Head Office, Purchasing & Stores Dept., 34 Themistocleous St., Athens.★ (Telephone: 202-WO 7-2355).

● Lubricating oils and greases, various grades, approx. 390 metric tons. Tender No. 389, bid deadline Feb. 8. Ministry of Agriculture, General Directorate of Agriculture, Land Reclamation Service, Directorate "V", 60 Kolokotroni St., Athens.★ (Telephone: 202-WO 7-2355).

295 Paving, Roofing Materials

PAKISTAN—Sheathings, asphalt saturated, value $10,000. Conforce Ltd. (manufacturer), 6 Egerton Rd., Lahore, West Pakistan. WTD 12/14/64.

301 Tires, Inner Tubes

SPAIN—Tires for cars, truck, tractors; direct purchase and agency; request replies in French or Spanish. Francisco Parres Puig (importer, distributor, retailer, agent), C. O'Donnell 41, Melilla. WTD 11/10/64.

307 Plastic Products

CHILE—Plastic household goods, tableware; direct purchase and agency. Gonzalez, Aguirre & Cia. Ltda. (importer, wholesaler), Waldo Seguel 608, Casilla 441, Punta Arenas. WTD 10/28/63.

GERMANY—Plastic products such as vinyl film for manufacture of rainwear. Waefo-GmbH (manufacturer), 76 Offenburg/Baden, Postfach 930. WTD 12/23/64.

★★ **GREECE—Trade Mission**

Plastic pipe. Psalidas & Bros. (importer, exporter), 7 Patreos St., Patras. WTD 12/28/64. TM 76.

315 Leather Gloves

TRINIDAD, W.I.—Grain and spit leather work gloves, except welders'; request replies from manufacturers; direct purchase and agency. The Engineering Material Co. Ltd. (importers, retailers, agents), 68 Gooding Village, San Fernando, P.O. Box 119, San Fernando. WTD 12/9/64.

317 Handbags, Personal Leather Goods

FINLAND—New leather-goods products, especially wallets or good quality plastic wallets; requests descriptive literature, price lists, quotations for short-term credit arrangements. T:mi R. Hallapera (commission agent), Kapteeninkatu 26 A, Helsinki. WTD 12/23/64.

322 Glass, Glassware

SWEDEN—All kinds of inexpensive household and kitchenware glasses, preferably in special types of packages; direct purchase and agency. AB Sven Wollert (importer, sales agent), Drottninggatan 73 C, Stockholm. WTD 12/11/64.

326 Pottery, Related Products

★★ **GREECE—Trade Mission**

Bathroom accessories. Psalidas & Bros. (importer, exporter), 7 Patreos St., Patras. WTD 12/28/64. TM 73.

SWEDEN—All kinds of inexpensive china for household and kitchen use; all kinds of ceramics such as teapots, jugs, vases; direct purchase and agency. AB Sven Wollert (importer, sales agent), Drottninggatan 73 C, Stockholm. WTD 12/11/64.

331 Steel Mill Products

TRINIDAD, W.I.—Steel pipes, piles; request replies from manufacturers, direct purchase and agency. Caribbean Engineering Co. Ltd. (importers, commission agents, distributors), 71 Frederick St., Port of Spain. WTD 5/23/63.

332 Iron, Steel Foundries

TRINIDAD, W.I.—Cast iron pressure pipes, fittings; request replies from manufacturers; direct purchase and agency. Caribbean Engineering Co. Ltd. (importers, commission agents, distributors), 71 Frederick Street, Port of Spain. WTD 5/23/63.

335 Rolling, Drawing, Extruding of Nonferrous Metals

FINLAND—Aluminum sheets, profiles, related products; requests descriptive literature, price lists; direct purchase and agency. Oy G.H.H. Ab (importers, commission agents), Kalevankatu 3, Helsinki. WTD 12/23/64.

342 Cutlery, Hand Tools, General Hardware

CHILE—Builders hardware; direct purchase and agency. Gonzalez, Aguirre & Cia. Ltda. (importer, wholesaler), Waldo Seguel 608, Casilla 441, Punta Arenas. WTD 10/28/63.

FINLAND—Ring saws; all types of hand saws, parts; requests descriptive literature, price lists; agency and/or direct purchase. Agentuuri Dahlstrom (commission agent), Munkkiniemen puistotie 17 A 10, Helsinki-Munkkiniemi. WTD 12/16/64.

Mechanical jacks; requests descriptive literature, price lists. T:mi Alpo Kinnunen (importer, manufacturer, exporter), Metsatie 36, Frisans-Helsinki. WTD 12/22/64.

Hand tools, general hardware items; requests descriptive literature, price lists from manufacturers only, agency. Agency Samuel Borenstein (commission agent), Fredrikinkatu 16 A, Helsinki. WTD 8/19/64.

THAILAND—Knives, forks, spoons, serving silver for restaurant of 110-room hotel. President Hotel, c/o S & C Super Market, 139/5 Gaysorn Rd., Bangkok. WTD 12/11/64.

343 Heating Apparatus, Plumbing Fixtures

FINLAND—Oil burners for domestic and commercial use; requests descriptive literature, price lists; agency. Oy G.H.H. Ab (importers, commission agents), Kalevankatu 3, Helsinki. WTD 12/23/64.

FRANCE—Enameled bathtubs. R. Bindschedler (manufacturer), 79 Rue Martre, Clichy-la-Garenne (Seine). WTD 12/3/64.

PAKISTAN—Bathtubs; washbasins; water closets; lavatories; urinals; kitchen sinks; scullery; plumbing fittings; trim. Conforce Ltd. (manufacturer), 6 Egerton Rd., Lahore, West Pakistan. WTD 12/14/64.

Kerosene oil stoves with three burners and more; requests replies from manufacturers with price quotations c & f, Karachi; direct purchase and agency. Zelins Ltd. (importer, manufacturer's representative), Zelin's Corner, Victoria/Bunder Roads, Karachi-3. WTD 11/15/63.

THAILAND—110 bathrooms, about half with showers and tubs, others with showers only; all with basins and commodes. President Hotel, c/o S & C Super Market, 139/5 Gaysorn Rd., Bangkok. WTD 12/11/64.

344 Fabricated Structural Metal Products

● **IRAQ**—Supply and delivery of one horizontal fire tube boiler, 15,000 lb. steam per hour, 212°, fuel to be gravity supplied to burners at 15-ft. head, constructed to British standard specifications; instrumentation, fittings, stack of 50 ft. minimum, platforms, stairways. Tender No. 49/64 bid deadline Feb. 6. Specifications available upon payment of $2.80 from Government Oil Refineries Administration, GORA, Baghdad. U.S. firms authorized to bid using information supplied to U.S. Department of Commerce. One copy of specification available for review only in Rm. 4124, Power & Electrical Equipment Division, BDSA-6430, Washington, D.C., 20230. (Telephone: 202-WO 7-4242).

PAKISTAN—Tubular scaffolding with fittings. Conforce Ltd. (manufacturers), 6 Egerton Rd., Lahore, West Pakistan. WTD 12/14/64.

TRINIDAD, W.I.—Pre-fabricated aluminum houses; request replies from manufacturers; direct purchase and agency. H. E. Robinson & Co. Ltd. (importer, retailer, distributor, agent), 4 Edward St., Port of Spain. WTD 8/26/63.

346 Metal Stampings

THAILAND—Modern kitchen utensils; all

basic equipment for new 110-room hotel. President Hotel, c/o S & C Super Market, 139/5 Gaysorn Rd., Bangkok. WTD 12/11/64.

348 Fabricated Wire Products

PAKISTAN—High tensile wire 0.276" dia, value $100,000. Conforce Ltd. (manufacturer), 6 Egerton Rd., Lahore, West Pakistan. WTD 12/14/64.

349 Fabricated Metal Products

● **SUDAN**—Supply of 4,896 coil springs 15/16" wire diameter, solid load approx. 7,731 lb. Contract No. 3197, bid deadline Feb. 16. Office of Controller of Stores, Atbara, or Sudan Government Purchasing Agent, 3-5 Cleveland Row, St. James, London S.W.I.★ (Telephone: 202-WO 7-4816).

351 Engines, Turbines

FINLAND—Outboard motors; requests descriptive literature, price lists; agency and/or direct purchase. Agentuuri Dahlstrom (commission agent), Munkkiniemen puistotie 17 A 10, Helsinki-Munkkiniemi. WTD 12/16/64.

● **NEW ZEALAND**—Supply, delivery and supervision of erection of three or more gas turbine generating sets having total continuously rated output of about 120 mw, 11 kv, 3 phase, 50 cycle, A.C. sets having a rating of not more than 45 mw and not less than 20 mw with auxiliary equipment. Generators, coupled to turbines with clutch which can be connected or disconnected at low speed, 3 phase, 50 cycle, 11 kv between phases with auxiliary equipment. Tender No. 452, bid deadline March 2. The Secretary, Tenders Committee, New Zealand Electricity Dept., Private Bag, Wellington.★ (Telephone: 202-WO 7-4242).

352 Farm Machinery

FINLAND—Feed cutters, mixers, treaters, all types of light agricultural machinery; requests descriptive literature, price lists; agency and/or direct purchase. Agentuuri Dahlstrom (commission agent), Munkkiniemen puistotie 17 A 10, Helsinki-Munkkiniemi. WTD 12/16/64.

GERMANY—Lawn mowers, rotary, gasoline driven and electric, requests replies from manufacturers only with price quotations c.i.f. German or Dutch ports. Direct purchase and/or agency representation; request replies in German. Manfred Hoffman (distributor, importer), 14-22 Batheyerstrasse, 58 Hagen-Kabel. WTD 9/16/63.

TRINIDAD, W.I.—Fertilizing distributors and applicators. Requests replies from manufacturers; direct purchase and agency. T. Geddes Grant Ltd. (importers, wholesalers, retailers, agents), 1 Chacon St., Port of Spain. WTD 8/17/64.

Machinery and equipment for small dairy farms; milk pasteurizing machinery and equipment; request replies from manufacturers; direct purchase and agency. Smith, Robertson & Co. Ltd. (importers, wholesalers, retailers, agents), 3 & 5 Chacon St., Port of Spain. WTD 7/9/62.

Planting, seeding, fertilizing machinery; plows, listers; harrows, rollers, pulverizers, stalk cutters; harvesting machinery; agricultural sprayers, dusters, dairy machinery, equipment, farm type; cultivators, weeders. Request replies from manufacturers; direct purchase and agency. J. K. Bayne Ltd. (importers, retailers and distributors), 19 Richmond St., Port of Spain. (P.O. Box 323). WTD 7/8/64.

Brush cutters; request replies from manufacturers, direct purchase and agency. Sandbach Motors Ltd. (commission agents, manufacturers', representative), Tractor Dept., Queen & Richmond Streets, Port of Spain. WTD 6/26/63.

Farm machinery, equipment, all types except those manufactured by The International Harvester Co. or its affiliates including: Planting, seeding, fertilizing machinery; harrows, rollers, pulverizers, stalk cutters; harvesting machinery; cultivators, weeders; machinery for preparing crops for market or for use; machinery for processing and packaging of agricultural produce. Request replies from manufacturers; direct purchase and agency. H. E. Robinson & Co. Ltd. (importers, wholesalers, retailers, agents), 4 Edward St., Port of Spain. WTD 8/26/63.

All types of farm machinery, equipment for cultivation of sugar cane and similar activities, including planting, seeding, fertilizing machinery; plows, listers; sprayers, dusters; harrows, rollers, pulverizers, stalk cutters; cultivators, weeders, harvesting machinery; request replies from manufacturers, direct purchase and agency. Industrial Agencies Ltd. (importers, retailers, distributors, agents), 18 Lady Hailes Ave., San Fernando. (P.O. Box 149). WTD 3/1/63.

Applicators for insecticides, fungicides; request replies from manufacturers; direct purchase and agency. T. Geddes Grant Ltd. (importers, wholesalers, retailers, agents), 1 Chacon St., Port of Spain. WTD 8/17/64.

VENEZUELA—Farm machinery, equipment in general; direct purchase and agency; request replies in Spanish. Tracto-Implementos C.A. (Tracica) (importer, sales agent), Ave. Bolivar Este 20, Maracay, Estado Aragua, Aptdo. 95, Maracay. WTD 11/25/64.

Tractors; spare parts for agricultural and industrial tractors; direct purchase and agency; requests replies in Spanish. Tracto-Implementos C.A. (Tracica) (importer, sales agent), Ave. Bolivar Este 20, Maracay, Estado Aragua, Aptdo 95, Maracay. WTD 11/25/64.

353 Construction, Mining, Materials Handling Machinery

● **CEYLON**—Global invitation for supply of 5 diesel-powered tandem rear wheel drive motor graders, not less than 110 bhp at 1800 rpm, tire size not less than 13 by 24. Bid deadline March 17. The Chairman, Tender Board, Ministry of Public Works, Transworks House, Colombo 1.★ (Telephone: 202-WO 7-5566). Tender forms available for 100 rupees from Factory Engineer up to noon March 3.

FINLAND—Chains, windlasses, attachments for lifting purposes; cranes; requests descriptive literature, price lists. T:mi Alpo Kinnunen (importer, manufacturer, exporter), Metsatie 36, Frisans-Helsinki. WTD 12/22/64.

● **INDIA**—161 sets of screen cloth for aggregate processing plant in various mesh sizes. Tender No. 863/Beas/PR/51206/P-80, bid deadline Feb. 8. Chief Purchase Officer, Beas Purchase Organization, P.O. Talwara Township, Dist. Hoshiarpur.★ (Telephone: 202-WO-7-5566). Documents available free of charge from India Supply Mission (Ref. D/ENQ/1483), 2536 Massachusetts Ave., NW., Washington, D.C. 20008.

● 250 diamond impregnated "throw away" type AX bevel wall core bits with two water ways of Mintung 71, matrix or equivalent with abrasive and tenacious grip on diamonds of 21 carats each; 50 diamond impregnated "throw away" type BX bevel wall core bits with 3 water ways of Mintung 71, matrix or equivalent with abrasive and tenacious grip on diamonds of 25 carats each; 100 diamond impregnated "throw away" type NX bevel wall core bits with 4 water ways of Mintung 71, matrix or equivalent with abrasive and tenacious grip on diamonds of 38 carats each. Tender No. 875/Beas/PR/52716/D-116 over 52715/D-115/52714/D-113 over D-116, bid deadline Jan. 27. Chief Purchase Officer, Beas Purchase Organization, P.O. Talwara Township, Dist. Hoshiarpur.★ (Telephone: 202-WO 7-5566). Documents available free of charge from India Supply Mission (Ref. D/ENQ/1487), 2536 Massachuetts Ave., NW., Washington, D.C. 20008.

● **NEW ZEALAND**—One crawler mounted diesel crane with 60 ft. boom capable of lift capacity of 34,500 lb. at 15 ft. radius. Delivery not later than July 31. Tender No. 64/14, bid deadline Jan. 28. Engineers Dept., Taranaki Harbour Board, P.O. Box 348, New Plymouth.★ (Telephone: 202-WO 7-5566) .

PAKISTAN—Cones, settling, mining, male and female; value $20,000; portable concrete mixers, 1 cu. yd. capacity, six rigs required. Conforce Ltd. (manufacturer), 6 Egerton Rd., Lahore, West Pakistan. WTD 12/14/64.

● **SUDAN**—Six, five-ton capacity, electric portal cranes. Tender No. 3198, bid deadline Feb. 11. Sudan Government Purchasing Agent, 3-5 Cleveland Row, St. James, London S.W.I.★ (Telephone: 202-WO 7-5589).

TRINIDAD, W.I.—All types of oil field machinery and equipment such as well survey machinery and equipment; well servicing machinery and equipment; exploration machinery and equipment; request replies from manufacturers; direct purchase and agency. J. N. Harriman & Co. Ltd. (commission agents, manufacturers' representatives, construction engineers), 61 Independence Square, Port of Spain. (P.O. Box 232). WTD 3/25/64.

All types of oil field machinery and equipment including surface and sub-surface well drilling equipment; exploration machinery and equipment; oil and gas well machinery and equipment; oil and gas well cementing, floating, guiding, and shoe equipment; well servicing machinery and equipment; well survey machinery & equipment; request replies from manufacturers, direct purchase and agency. Industrial Agencies Ltd. (importers, retailers, distributors and agents), 18 Lady Hailes Ave., San Fernando, Trinidad, W.I. (P.O. Box 149). WTD 3/1/63.

Trucks, fork, operator-riding, gasoline; cranes and hoists; earthmoving equipment; request replies from manufacturers; direct purchase and agency. Chas. McEnearney & Co. Ltd. (importers, commission agents, manufacturers' representatives), 25 Richmond St., Port of Spain. WTD 7/30/64.

All types of oil field machinery and equipment including well drilling equipment; exploration machinery and equipment; oil and gas well machinery and equipment; well servicing machinery and equipment; well survey machinery and equipment; request replies from manufacturers. Direct purchase and agency. H. E. Robinson & Co. Ltd. (importers, wholesalers, retailers, agents), 4 Edward St., Port of Spain. WTD 8/26/63.

354 Metalworking Machinery

FINLAND—Plasma torch cutting machine, related equipment; requests descriptive literature, price lists; direct purchase and agency. Oy G.H.H. Ab (importers, commission agents), Kalevankatu 3, Helsinki. WTD 12/23/64.

★★ SPAIN—Trade Mission

Technical assistance wanted to incorporate oxygen steelmaking equipment in present electric furnaces; after completion of this modification, firm would be interested in purchasing

continuous casting equipment for steel furnaces with 1000-tons per month capacity. Victor M. Lucas, President, Aceros Electricos Del Turia, S.A. (manufacturer), Cuart de Poblet, Valencia. WTD 12/17/64. TM 196.

TRINIDAD, W.I.—Die casting machinery; request replies from manufacturers; direct purchase and agency. H. E. Robinson & Co., Ltd. (importer, retailer, distributor, agent), 4 Edward St., Port of Spain. WTD 8/26/63.

355 Special Industry Machinery

FRANCE—Chain-driven saws, gasoline-operated, portable (for easy use by one worker only) for felling and cutting trees and logs, related attachments and accessories for lumbering trade; requests replies and catalogues from manufacturers only in French. Etablissements Industria (dealer), 10 Place de la Victoire, Bordeaux, Gironde. WTD 12/22/64.

PAKISTAN—Mill to consume 100 tons of cotton seed in single eight hour shift, yielding cotton seed cake for animal feed. Captain Mohd. Akbar & Co. (importing distributor), Urdu Bazar, Rawalpindi. WTD 6/24/63.

Extension for cement plant by two units of 600 tons per day each of clinker. Tender No. PC-16(A)-T, bid deadline Feb. 28. West Pakistan Industrial Development Corp., P.I.D.C. House. Kutchery Rd., Karachi.★ (Telephone: 202-WO 7-5589).

SOUTH AFRICA—Sealing plant system capable of sealing heavy duty 0.010 inch, 100 lb. polythene bags by ultra sonic methods. J. J. Allman Sales Corp. (importer, wholesaler, exporter, agent), P.O. Box 10734, Johannesburg. WTD 12/23/64.

Sealing plant system capable of sealing one and two pint polyethylene milk containers, 5,000 to 10,000 units per hour. J. J. Allman Sales Corp. (importer, wholesaler, exporter, agent), P.O. Box 10734, Johannes- WTD 12/23/64.

SWEDEN—Textile machinery; direct purchase and agency. Jagenburg & Medin AB (agent), Hallbergsgatan 7, Boras. WTD 12/17/64.

● **THAILAND**—Supply of four letter presses, various other machines such as: automatic type casting machines, moulds, blade sharpening machine. Tender No. 07553, bid deadline Jan. 26. State Railway of Thailand. Yod-Se, Bangkok.★ (Telephone: 202-WO 7-5589).

TRINIDAD, W.I.—Machinery for plastic industry; request replies from manufacturers; direct purchase and agency. H. E. Robinson & Co., Ltd. (importer, retailer, distributor, agent), 4 Edward St., Port of Spain. WTD 8/26/63.

Shaving and sawdust blowers for sawmills, saw doctoring equipment; request replies from manufacturers; direct purchase and agency. F. T. Farfan & Sons Ltd. (importers, wholesalers, distributors), 28 & 30 Sackville St., Port of Spain. WTD 1/20/64.

VENEZUELA—Dairy machinery, equipment; request replies in Spanish; direct purchase and agency. Tracto-Implementos C.A. (Tracica) (importer, sales agent), Ave. Bolivar Este 20, Maracay, Estado Aragua, Aptdo. 95 Maracay. WTD 11/25/64.

356 General Industrial Machinery

GERMANY—Newly developed paint spraying, drying machines, equipment for surface treatment. W. & Dr. K. Brechenmacher (manufacturer, exporter, importer, wholesaler), 7 Stuttgart-Wangen, Wasenstrasse 38. WTD 12/23/64.

SWEDEN—Packaging machinery; direct purchase and agency. Jagenburg & Medin AB. (agent), Hallbergsgatan 7, Boras. WTD 12/17/64.

SWITZERLAND—Nitrogen generators, related equipment for nitrogen production; requests replies from manufacturers of newly developed systems in the above-mentioned field. Ingenieurbureau Willi Voegtlin A.G. (engineer, importer, wholesaler), Schutzengraben 38, 4000 Basel 3. WTD 7/24/64.

● **SUDAN**—Supply of four electric motor driven, air cooled vacuum exhausters, capacity 5,000 cu. ft. per hour of pump displacement. Tender No. 3212, bid deadline Feb. 11. Sudan Government Purchasing Agent, 3-5, Cleveland Row, St. James, London, S.W.1.★ (Telephone: 202-WO 7-5589).

TRINIDAD, W.I.—Hydraulic jacks; request replies from manufacturers; direct purchase and agency. The Engineering Material Co. Ltd. (importers, retailers, agents), 68 Gooding Village, San Fernando. P.O. Box 119, San Fernando. WTD 12/9/64.

357 Office, Computing, Accounting Machines

● **NEW ZEALAND**—Supply of one portable vehicle scale consisting of two weigh bridges, instrument 0-100,000 lb. by 100 lb., and electrical connections. Tender SMQ-4386, bid deadline Feb. 12. Stores Manager, Ministry of Works, P.O. Box 8024, Wellington.★ (Telephone: 202-WO 7-2939).

358 Service Industry Machines

FINLAND—Coin-operated machines dispensing food or packaged dry-goods items; requests descriptive literature, price lists; direct purchase or agency. Nordator Oy (importers), It. Puistotie 6 B 9, Helsinki. WTD 2/6/64.

GERMANY—Air conditioners, spray humidifiers, residential; requests replies from manufacturers only with price quotations c.i.f. German or Dutch ports. Direct purchase and/or agency representation. Tekum—Technische Handelsgesellschaft Kuhlmann & Merten GmbH (agent, distributor, importer), Berghausenerstrasse, 5202 Oberpleis. WTD 12/1/64.

THAILAND—Complete laundry equipment for 110-room hotel. President Hotel, c/o S & C Super Market, 139/5 Gaysorn Rd., Bangkok. WTD 12/11/64.

VENEZUELA—Laundry, dry-cleaning machinery, equipment, accessories. Sales agency and distribution for entire country. Lavadora Familiar, C.A., Aptdo. 6388, Caracas. WTD 12/4/64.

362 Electrical Industrial Apparatus

ISRAEL—Electric motors, 12 volt d.c., 1/10 h.p., between 3000 and 5000 rpm; must be enclosed and have free shafts at both ends; a type allowing easy exchange of brushes is preferred; requests specifications, price lists. Ludwig Bornstein (importer), 82 Gordon St., Tel Aviv. WTD 8/3/64.

● **MALAYA**—Supply, delivery and erection of three 220 kw diesel generating sets and one 240 kw standby diesel generating set with auxiliary equipment for Sandakan Water Supply, Garinono Scheme, Government of Sabah. Bid deadline Feb. 20. Tender documents available from Binnie & Partners, Consulting Engineers, Mercantile Bank Bldg., Market St., Kuala Lumpur, upon payment of $33, refundable upon receipt of bid.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

TRINIDAD, W.I.—All types of electrical equipment and supplies including motors, generators, parts; industrial electrical control equipment, except railroad and automotive; power distribution, other transformers; switchgear, switchboard apparatus over 1,200 volts; request replies from manufacturers; direct purchase and agency. Edgar H. Borde Ltd. (importers, retailers, distributors, agents), 62 Sackville St., Port of Spain. WTD 5/12/64.

Arc welding machinery, equipment; request replies from manufacturers; direct purchase and agency. Tugs & Lighters Ltd. (commission agents, distributors, shipbuilders), 69 Marine Square, Port of Spain. WTD 7/2/63.

363 Household Appliances

CHILE—Cooking ranges, heaters, refrigerators, freezers, washing machines; direct purchase and agency. Gonzalez, Aguirre & Cia. Ltda. (importer, wholesaler), Waldo Seguel 608, Casilla 441, Punta Arenas. WTD 10/28/63.

SPAIN—Refrigerators, mechanical, household. Direct purchase and agency; request replies in French or Spanish. Francisco Parres Puig (importer, distributor, retailer, agent), C/. O'Donnell 41, Melilla. WTD 11/10/64.

TRINIDAD, W.I.—Water heaters, electric, household; request replies from manufacturers; direct purchase and agency. Trinidad & Tobago Electrical Contractors (importers, wholesalers, retailers, agents), 31 Henry Street, Port of Spain. (P.O. Box 355). WTD 10/9/62.

364 Electric Lighting, Wiring Equipment

SOUTH AFRICA—Ultra-violet lamp fixtures, lamps for hospitals, 220 volt. Medical, Industrial & Allied Services (Pty) Ltd. (importer, agent), P.O. Box 311, Saxonwold, Johannesburg. WTD 12/23/64.

TRINIDAD, W.I.—Incandescent lighting fixtures; fluorescent lighting equipment; electrical conduit; request replies from manufacturers; direct purchase and agency. Trinidad & Tobago Electrical Contractors (importers, wholesalers, retailers, agents), 31 Henry St., Port of Spain. (P.O. Box 355). WTD 10/9/62.

365 Radio, Television Receiving Sets

SPAIN—Portable household and auto radio receivers, tape recorders, phonographs, magnetic tapes. Direct purchase and agency, request replies in French or Spanish. Francisco Parres Puig (importer, distributor, retailer, agent), C/. O'Donnell 41, Melilla. WTD 11/10/64.

367 Electronic Components, Accessories

GERMANY—Electronic program switches, magnetic switches, level switches, other control equipment and accessories; requests replies from manufacturers only with price quotations c.i.f. Dutch or German ports; agency representation; request replies in German. Wilhelm Steinhoff Nachf. (manufacturer's agent), 92-94 Sedanstrasse, 41 Duisburg-Hochfeld. WTD 12/1/64.

TRINIDAD, W.I.—Electronic control equip-

ment for industry; request replies from manufacturers; direct purchase and agency. H. E. Robinson & Co. Ltd. (importers, wholesalers, retailers, agents), 4 Edward St., Port of Spain. WTD 8/26/63.

371 Motor Vehicles, Motor Vehicle Equipment

FINLAND—Automotive parts, equipment, accessories; requests descriptive literature, price lists; agency and/or direct purchase. Agentuuri Dahlstrom (commission agent), Munkkiniemen puistotie 17 A 10, Helsinki- Munkkiniemi. WTD 12/16/64.

SOUTH AFRICA—All types of new repair and replacement parts for standard U.S. motor vehicles. Southern Motor Co. (Pty) Ltd. (importer, wholesaler, retailer), P.O. Box 3817, Johannesburg. WTD 12/17/64.

TRINIDAD, W.I.—Automotive spare parts, accessories, tools, equipment; request replies from manufacturers; direct purchase and agency. Laughlin & De Gannes Ltd. (importer, wholesalers, retailers, agents), 44 New St., Port of Spain. (P.O. Box 466). WTD 5/15/64.

373 Ship Building, Repairing

SPAIN—Ship, boat parts, components such as anchors, cleats, deck fittings, hatch covers, ladders, life rafts, line-throwing guns, rudder assemblies, propellers, rudder pintles. Casa Vidal (importer, exporter, wholesaler, agent), 18 de Julio 2, Ceuta. WTD 3/5/64.

381 Engineering, Laboratory, Scientific, Research Instruments

FINLAND—Electronic and laboratory equipment, related machinery, supplies; requests descriptive literature, price lists; agency or direct purchase. Laaketukku Oy (manufacturer, importer), Vattuniemenkuja 1, Helsinki. WTD 11/6/64.

FRANCE—Autoclaves, laboratory; bacteriological incubators; centrifuges; baragraphs, microbarographs; drying oven; anemometer. Somerec-Societe de Mecanique et de Rectification (manufacturer), 27 Rue Klock, Clichy (Seine). WTD 10/9/64.

382 Instruments for Measuring, Controlling, Indicating Physical Characteristics

GERMANY—Pyrometers and instruments for measuring temperature radiation. W. & Dr. K. Brechenmacher (manufacturer, exporter, importer, wholesaler), 7 Stuttgart-Wangen, Wasenstrasse 38. WTD 12/23/64.

384 Surgical, Medical, Dental Instruments

TRINIDAD, W.I.—All types of safety devices, equipment including safety harness, safety hats, helmets for industrial use; request replies from manufacturers; direct purchase and agency. The Engineering Material Co. Ltd. (importers, retailers, agents), 68 Gooding Village, San Fernando, Trinidad. (P.O. Box 119, San Fernando.) WTD 12/9/64.

386 Photographic Equipment

SWEDEN—Photographic equipment, supplies such as apparatus, papers, chemicals; agency and direct purchase. AB Arto (wholesaler, agent), S. Forstadsgatan 2, Malmo C. WTD 11/17/64.

387 Watches, Clocks

GERMANY—Watch dials for further processing, instrument dials on which markings can be printed. Erwin Braun (manufacturer), 722 Schwenningen/Neckar, Eichendorfistrasse 25. WTD 12/23/64.

391 Jewelry, Silverware, Plated Ware

FRANCE—Precious metal jewelry, including cigarette-boxes, lighters, powder-boxes; direct purchase and agency. Ets. R. Barat & Fils (wholesaler), 13 Rue Volney, Angers (Maine & Loire). WTD 11/16/64.

394 Toys, Amusement, Sporting Goods

FINLAND—Toys, children's games, all types; requests descriptive literature, price lists; agency or direct purchase. Agentuuri Dahlstrom (commission agent), Munkkiniemen puistotie 17 A 10, Helsinki-Munkkiniemi. WTD 12/16/64.

Hobby items, toys; requests descriptive literature, price lists; agency. Agency Samuel Borenstein (commission agent), Fredrikinkatu 16 A, Helsinki. WTD 8/19/64.

Toys, games, hobby items; requests descriptive literature, price lists from manufacturers only, quotations for short-term credit arrangements. T:mi R. Hallapera (commission agent), Kapteeninkatu 26 A, Helsinki. WTD 12/24/64.

JAPAN—Plastic scale model kits (airplanes, sailing ships, warships, tanks); human body models (40 to 50" high) for educational purposes; requests replies with catalogues, prices. Oversea Sales Co., Inc. (importer, exporter), 1-51 Kodekimachi, Higashiku, Nagoya. WTD 12/11/63.

399 Manufacturing Industries

ISRAEL—Latest-design equipment to furnish a barbershop and beauty parlor. Importer requests detailed specifications, price lists covering all items required. Kantora Ltd., POB 750, Tel Aviv. WTD 6/5/64.

SOUTH AFRICA—Novelties advertising, except paper, all types. Romar Trading Co. (Pty) Ltd. (importer, wholesaler), P.O. Box 7225, Johannesburg. WTD 12/22/64.

VENEZUELA—Advertising novelties in general; direct purchase and agency. Comercial Barbera C.A. (manufacturer), Aptdo. 5254—Este, Caracas. WTD 12/2/64.

International Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

140 Mining, Quarrying of Nonmetallic Minerals

FRANCE—Minerals, ores, crude, ground, or otherwise treated, suitable for utilization by following industries: metallurgy, chemical industry, glassware manufacturers, plastic industry, ceramic producers, paints and rubber industries. Agency for France or section thereof, request replies in French. Genie et Industrie (Roger Gestin) (sales agent), 42 Rue des Horticulteurs, Limoges, Haute-Vienne. WTD 12/21/64.

220 Textile Mill Products

SOUTH AFRICA—"Crimplene" textile material, made from crimped polyester yarn; requests replies from manufacturers only. United African Indent & Shipping Co. (Pty) Ltd. (sales agent), P.O. Box 1453, Johannesburg. WTD 2/14/63.

249 Wood Products

FRANCE—Ashtrays, wood, for desk and home decoration, to be sold as gift articles. Societe Industrielle de Coutellerie (wholesaler), 227 Rue St-Denis, Paris 2e. WTD 11/19/64.

261 Pulp Mills

VENEZUELA—Pulp in general. Pedro Caracuel Bernal (sales agent), Aptdo. 9156, Caracas. WTD 12/3/64.

281 Industrial Chemicals

NORWAY—Furfyryl alcohol. Alf Axelsen A/S (manufacturers' agent), 20 Skippergt, Oslo. WTD 12/3/63.

VIET-NAM—Full line of chemicals for industrial use such as acetic acid, formic acid, calcium carbide, hydrosulphite soda. Sales Promotion Center (manufacturers representative), 40-E Ngo Duc Ke, P.O. Box 770, Saigon. WTD 12/17/64.

284 Soap, Detergent, Cleaning Preparation, Perfume, Cosmetics

BELGIUM—All kinds of household maintenance products, specialty cleaning, polishing, sanitation products; request replies from manufacturers. Cladas & Fils S.P.R.L. (importer, exporter), 115 Rue Vanderlinden, Brussels. WTD 12/15/64.

SOUTH AFRICA—Detergents, all types suitable for hospital use. Medical, Industrial & Allied Services (Pty) Ltd. (importer, agent), P.O. Box 311, Saxonwold, Johannesburg. WTD 12/23/64.

287 Agricultural Chemicals

VENEZUELA—Insecticides, pesticides, fungicides (toxic content) for sale to local insecticide manufacturers. Agency for entire country; request replies in Spanish. Representaciones Famarco Quimicas C.A. "Far Quim" (representative, sales agent), Aptdo. 4543 Caracas, Edificio Anuncia, 1° piso, Ave. Las Acacias, Esquina Calle Olimpo, Urbanizacion San Antonio, Caracas. WTD 12/11/64.

VIET-NAM—Urea and tricalcium phosphate; requests manufacturers. Sales Promotion Center (manufacturers representative), 40-E Ngo Duc Ke, P.O. Box 770, Saigon. WTD 12/17/64.

289 Chemical Products

VENEZUELA—Chemical specialties used by food processing and packaging industries. Agency for entire country; requests replies in Spanish. Representaciones Famarco Quimicas C.A. "Far Quim" (representatives, sales agent), Aptdo. 4543 Caracas, Edificio Anuncia, 1° piso, Ave. Las Acacias, Esquina Calle Olimpo, Urbanizacion San Antonio, Caracas. WTD 12/11/64.

291 Petroleum Refining

NORWAY—Petroleum coke. Alf Axelsen A/S

(manufacturers' agent), 45 Akersgate, Oslo. WTD 12/3/63.

301 Tires, Inner Tubes

VIET-NAM—Tires for automobiles; all kinds and sizes. Sales Promotion Center (manufacturers' representative), 40-E Ngo Duc Ke, P.O. Box 770, Saigon. WTD 12/17/64.

311 Leather Tanning, Finishing

BELGIUM—Imitation chamois leather for window cleaning. Cladas & Fils S.P.R.L. (importer, exporter), 115 Rue Vanderlinden, Brussels. WTD 12/15/64.

317 Handbags, Personal Leather Goods

FRANCE—Jewelry cases, fancy patterns, to be sold as gift articles. Societe Industrielle de Coutellerie (wholesaler), 227 Rue St-Denis, Paris 2e. WTD 11/19/64.

322 Glass, Glassware, Pressed or Blown

FRANCE—Ornamental flass tableware to be sold as gift articles. Societe Industrielle de Coutellerie (wholesaler), 227 Rue St-Denis, Paris 2e. WTD 11/19/64.

326 Pottery

FRANCE—Household tableware, china or earthenware, to be sold as gift articles. Societe Industrielle de Coutellerie (wholesaler), 227 Rue St-Denis, Paris 2e. WTD 11/19/64.

331 Steel Mill Products

VIET-NAM—Full line of steel mill products such as plain steel sheets, tin plate. Sales Promotion Center (manufacturers' representative), 40-E Ngo Duc Ke, P.O. Box 770, Saigon. WTD 12/17/64.

353 Construction, Mining, Material Handling Machinery

BELGIUM—Stationary crushing, pulverizing, screening, and all other types of machinery and equipment for use in quarries, exclusive agency. Genie Metallurgique et Chimique Mechim (survey designer), 31 Rue du Marais, Brussels. WTD 12/16/64.

Mining machinery, parts, all kinds, exclusive agency. Genie Metallurgique et Chimique Mechim (survey designer), 31 Rue du Marais, Brussels. WTD 12/16/64.

355 Special Industry Machinery

BELGIUM—All kinds of petroleum refinery machinery, equipment. Sobricom-Societe Bruxelloise Industrielle et Commerciale (importer, agent) 89 Boulevard Anspach, Brussels. WTD 12/3/64.

Machinery, all kinds, for chemical manufacturing industries. Sobricom-Societe Bruxelloise Industrielle et Commerciale (importer, agent), 89 Boulevard Anspach, Brussels. WTD 12/3/64.

All kinds of machinery for petrochemical industry; exclusive agency. Genie Metallurgique et Chimique Mechim, (survey designer), 31 Rue du Marais, Brussels. WTD 12/16/64.

All kinds of machines used in non-ferrous (zinc, lead, copper, tin, cadmium) industry, exclusive agency. Genie Metallurgique et Chimique Mechim (survey designer), 31 Rue du Marais, Brussels. WTD 12/16/64.

VENEZUELA—Food packaging, processing machinery for dairy, vegetable, fruit, meat, processed foods packing industries; request replies in Spanish. Representaciones Famarco Quimicas C.A. "Far Quim" (representative, sales agent), Aptdo. 4543 Caracas Edificio Anuncia, 1° piso, Avenida Las Acacias, Esquina Calle Olimpo, Urbanizacion San Antonio, Caracas. WTD 12/11/64.

Printing-trades machinery, equipment in general. Pedro Caracuel Bernal (sales agent), Aptdo. 9156, Caracas. WTD 12/3/64.

Machinery, equipment for pharmaceutical, cosmetic industries. Agency for entire country; requests replies in Spanish. Representaciones Famarco Quimicas C.A. "Far Quim" (representative, sales agent), Aptdo. 4543 Caracas. Edificio Anuncia, 1° piso, Avenida Las Acacias, Esquina Calle Olimpo, Urbanizacion San Antonio, Caracas. WTD 12/11/64.

Paper industries machinery, parts, attachments. Pedro Caracuel Bernal (sales agent), Aptdo. 9156, Caracas. WTD 12/3/64.

356 General Industrial Machinery

VIET-NAM—Centrifugal water pumps. Sales Promotion Center (manufacturers' representative), 40-E Ngo Duc Ke, P.O. Box 770, Saigon. WTD 12/17/64.

358 Service Industry Machines

SWITZERLAND—Dryers for air, gas. Ingenieurbureau Willi Voegtlin A.G. (engineer, importer, wholesaler), Schutzengraben 38, 4000 Basel 3. WTD 7/24/64.

361 Electric Transmission, Distribution Equipment

FRANCE—Hourly time-recorders; automatic time-switches; continuous-operation gas-warning devices, detectors designed to prevent explosions; light-buttons; thermo-plunges; impulsion meters; electric staples and bolts; other related electrical accessories suitable for utilization in France with alternating current, 3-phases, 50 cycles, 110 or 220 volts. Agency and traveling agent's services offered for France or section thereof. Requests replies from manufacturers only. Bernard Bouscarel (manufacturer, sales agent), 42 Rue Leo-Lagrange, Toulouse, Haute-Garonne. WTD 4/17/64.

364 Electric Lighting, Wiring Equipment

FRANCE—Small lamps for home decoration, to be sold as gift articles. Societe Industrielle de Coutellerie (wholesaler), 227 Rue St-Denis, Paris 2e. WTD 11/19/64.

SOUTH AFRICA—Ultra-violet lamp fixtures and lamps for hospitals, 220 volt. Medical, Industrial & Allied Medical Services (Pty) Ltd. (importer, agent), P.O. Box 311, Saxonwold, Johannesburg. WTD 12/23/64.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

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371 Motor Vehicles, Motor Vehicle Equipment

SOUTH AFRICA—New repair and replacement parts, all kinds, for standard U.S. motor vehicles. Southern Motor Co. (Pty) Ltd., (importer, wholesaler, retailer), P.O. box 3817. Johannesburg. WTD 12/17/64.

391 Jewelry, Silverware, Plated Ware

FRANCE—Stainless steel flatware to be sold as gift articles. Societe Industrielle de Coutellerie (wholesaler), 227 Rue St-Denis, Paris 2e. WTD 11/19/64.

395 Pens, Pencils, Office, Artists' Materials

FRANCE—Scotch tape dispensers, golden metal or leather covered, for desk, to be sold as gift articles. Societe Industrielle de Coutellerie (wholesaler), 227 Rue St-Denis, Paris 2e. WTD 11/19/64.

396 Costume Jewelry

FRANCE—Fancy jewelry articles. Societe Industrielle de Coutellerie (wholesaler), 227 Rue St-Denis, Paris 2e. WTD 11/19/64.

399 Manufacturing Industries

FRANCE—Perfume atomizers. Societe Industrielle de Coutellerie (wholesaler), 227 Rue St-Denis, Paris 2e. WTD 11/19/64.

SOUTH AFRICA—Novelties, except paper, all types. Romar Trading Co. (Pty) Ltd. (importer, wholesaler), P.O. Box 7225, Johannesburg. WTD 12/22/64.

New Trade Lists

The Bureau of International Commerce has published the following new trade lists of which mimeographed copies may be obtained by firms domiciled in the United States from BIC-8120, Department of Commerce, Washington, D. C., 20230, and from Department of Commerce Field Offices. The price is $1 a list for each country.

Most of these lists are prefaced by a brief review of basic trade and industry data collected in making the compilations. All are dated Dec. 1964 unless marked otherwise.

Air Conditioning and Refrigeration Equipment Importers, Dealers and Manufacturers—Thailand, Nov.

American Firms, Subsidiaries and Affiliates—Spain, Oct.

Automotive Vehicle and Equipment Importers and Dealers—Belgium, Sept.

Business Firms—Cambodia, Sept.

Business Firms—Ethiopia, Oct.

Business Firms—Republic of Korea, Oct.

Business Firms—Madeira Islands, Oct.

Business Firms—Uganda, Oct.

Dry Goods and Clothing Importers and Dealers—Lebanon, Oct.

Dry Goods and Clothing Importers and Dealers—The Netherlands, Oct.

Electronic Equipment for Home Entertainment, Phonograph Record, and Pre-Recorded Magnetic Tape Importers, Dealers and Manufacturers—Japan, Sept.

Electronic Equipment, Electron Tube, and other Electronic Components and Accessories Importers, Dealers and Manufacturers—Belgium, Nov.

Electronic Equipment, Electron Tube, and other Electronic Components Accessories Importers, Dealers and Manufacturers—Uruguay, Nov.

Feedstuff Importers, Dealers and Manufacturers—Hong Kong, Nov.

Fertilizer Importers, Dealers, Manufacturers and Exporters—Uruguay.

Instruments, Medical, Surgical, Hospital, Scientic and Process Importers, Dealers and Manufacturers—Brazil, Sept.

Instruments, Medical, Surgical, Hospital, Scientific and Process Importers, Dealers and Manufacturers—Portugal, Nov.

Iron and Steel, Nonferrous Metal and Building Materials Importers and Dealers—Colombia, Sept.

Machine Tools, Dies, other Metalworking Machinery and Industrial Furnace Importers and Dealers—Republic of South Africa, Oct.

Machinery, Equipment and Supplies, Electrical Importers and Distributors—Chile.

Machinery, Equipment and Supplies, Electrical Importers and Distributors—Morocco, Nov.

Machinery and Equipment, Except Electrical Importers and Distributors—Ecuador, Nov.

Machinery and Equipment, Except Electrical Importers and Distributors—Iran, Nov.

Leads for Importers

019 Commercial Farms

NEW ZEALAND—Member of New Zealand Seed Grain & Produce Brokers Association has available for export New Zealand grown grass and clover seeds. Write: L. R. Harland, P.O. Box 289, New Plymouth, or New Zealand Government Senior Trade Commissioner, Suite 306, 1145-19th St., NW., Washington, D.C. 20036.

109 Metal Ores

KOREA—Cerite ore, 30 tons, analysis: Ce 46%, Th 6%, Tan 7%, Tita 8%, Uran 6%, Ilmenite 5%. Packed in jute bags, about 30 kg. per bag. Asking but negotiable f.o.b. Pusan price about $6.500 per ton. Neungsoo Commercial Co., 74 Sokong-dong, Choong-ku, Seoul. (I.P. Box 1140). WTD 6/27/63.

208 Beverages Industries

FRANCE—Red wines, bottled, classified and vintage products, including "Saint-Emilion", "Saint-Estèphe", "Saint-Julien", "Pauillac" wines. Direct or through well-established U.S. agents. J. Marcel Borie-Manoux (wholesalers, exporters), 90 Cours Balguerie-Stuttenberg, Bordeaux, Gironde. WTD 4/22/64.

★★ GREECE—Trade Mission

Distillery seeks representation in U.S., nationwide or regional, for its Ouzo, Cordials, Brandy, other distilled products. Callicounis, Calamat. WTD 12/28/64.

209 Food Preparations

FRANCE—Relishes, condiments, oyster and fish sauces, related prepared food flavors and seasonings in glass bottles, net content .37 or .72 liter each (13 fl. oz., 1 pint 7 fl. oz, respectively), in cartons containing 12 or 24 bottles each. Direct sale to wholesalers preferred. Vinaigreries Générales, 85 Quai de Queyries, Bordeaux, Gironde. WTD 12/23/64.

237 Fur Goods

AUSTRALIA—Kangaroo fur garments, footwear, handbags, interested in receiving inquiries only from wholesalers and export-import houses. Akhnaton Traders, 89 Baringa Rd., Northbridge, N.S.W. WTD 12/23/64.

250 Furniture, Fixtures

GERMANY—Manufacturer offers 250 types of steel tubular furniture: revolving chairs, easy chairs for office use; tables; stacking chairs; furniture for schools, garden and terrace, hair dressers; special chairs for medical purposes; stools; collapsible tea trolleys. Drabert Soehne, 13-17 Wilhelmstrasse, Postfach 266, 495 Minden/Westf. WTD 4/29/63.

284 Soap, Detergents, Cleaning Preparations, Cosmetics

FINLAND—Manufacturer of shampoo product trademarked "Finnish Sauna Shampoo" seeks distributors. Marttinen Oy, Lonnrotinkatu 4, Helsinki. Attn.: Mr. M. Murtosalo, Export Manager. WTD 12/11/64.

NEPAL—Perfume materials, high-quality Himalayan musk, up to 100 lb. from ready stock. Jog Bir Singh Kamal Bir Singh, 28 Juddha Rd., Kathmandu.

306 Fabricated Rubber Products

NEW ZEALAND—Manufacturer seeks distributor for "Insultape," polythene backed self-adhesive tape which can be used as electrical insulation and for joining polyethelene aluminum foil and building paper. Available in black and white, medium gage (.004), black (only) in heavy gage (.008), in 100-ft. rolls. 1" to 4" widths. Further particulars available from Danco (N.Z.) Ltd., P.O. Box 15-013, New Lynn, Auckland, or from the New Zealand Government Senior Trade Commissioner, Suite 306, 1145-19th St. NW., Washington, D.C. 20036.

307 Plastic Products

GERMANY—Plastic wall covering ("Haga") for use on any type of interior or exterior surface. Samples available upon request. Carl Lemmen, Postfach 1225, 1 Goerresstrasse, 5 Koeln a. Rh. 1. WTD 8/1/63.

352 Farm Machinery

FRANCE—Sprayers, dusters, spray-pumps, powder-sprinklers, pulverizers, liquid-diffusers, related agricultural implements; farm machinery, including insect-control power equipment for orchards, for cultures of all categories and vineyards, field or row-crop types, animal or tractor-drawn. Castaing Fils (Etablissements), 8-14 Rue Hanappier, Cauderan-Bordeaux, Gironde. WTD 12/30/64.

393 Musical Instruments, Parts

THAILAND—Musical box, reproducing music with visions on screen, automatically coin operated. Bangkok Novelty Co., Ltd., 181-5 Jawarad Rd., Bangkok. WTD 8/4/64.

394 Toys, Amusements, Sporting Goods

AUSTRALIA—Toys, novelties, interested in receiving inquiries only from wholesalers and export-import houses. Akhnaton Traders, 89 Baringa Rd., Northbridge, N.S.W. WTD 12/23/64.

★★ GREECE—Trade Mission

Manufacturer wants representations in New York, California and other major markets to sell its line of glass toys. "General Crafts Ltd." (El Greco) 100 Olga St., Dafni, 455, Athens. WTD 12/21/64.

Visiting Buyers and Officials

Scheduled arrival dates and U.S. addresses indicated

ENGLAND—J. A. Shingleton, Engineering Liaison Executive, Motor Accessory Division, S. Smith & Sons (England) Ltd., Witney, Oxon, interested in concluding **licensing arrangement with U.S. firm(s) for mobile and industrial hydraulic systems (components).** Here (Jan. 7) for one month. c/o: The Americana of New York, 52nd St. & Seventh Ave., New York, N.Y. 10019; Statler Hilton Hotel, 1565 Washington Blvd., Detroit, Mich. 48226; Palmer House, 17 E. Monroe St., Chicago, Ill. 60690; Statler Hilton Hotel, Euclid Ave. & E. 12th St., Cleveland, Ohio 44101. Itinerary: New York, Detroit (to Jan. 23); Chicago (Jan. 24-31); Cleveland (Feb. 1-3).

FRANCE—Mrs. Simone Reissent, representing Compagnie Commerciale Industrielle et Financiere "C.I.F.", 35 Blvd. Haussmann, Paris 9, interested in importing **prefabricated residential homes and motels, preferably completely equipped;** requesting technical information on building prefabricated homes. Here Jan. 17 for two weeks. c/o Gertrude Cohen, 41 Park Ave., New York, N.Y. Itinerary: Washington, New York.

Henri Sterm, Manager, Bijoux Stern, 171 Rue Lafayette, Paris 10e, interested in purchasing U.S. manufactured **costume jewelry.** Jan. 28 via New York for two weeks. c/o Sheraton-Atlantic Hotel, Broadway & 34th St., New York, N.Y. 10001 (Feb. 1-5); Sheraton-Biltmore Hotel, 11 Dorrance St., Providence, R.I. 02903 (Feb. 8-12). Itinerary: New York; Providence, R.I.

GERMANY—Christian-Andreas Loewe, representing Loewe Pumpenfabrik GmbH., Luener Weg 15, Lueneburg, interested in **licensing agreements for small portable air compressors and for valves and fittings for heating systems.** Requesting technical information for same. Here (Jan. 16) for three weeks. c/o: Park-Sheraton International Hotel, 56th St. & Seventh Ave., New York, N.Y. 10019; Sheraton-Blackstone Hotel, 636 S. Michigan Ave., Chicago, Ill. 60605. Itinerary: New York, Chicago.

IRAN—Mozaffar Motabar, Engineer, Asia Chemical & Industrial Corp. (Iron Glass Factory Div.), Serai Sina, Tehran, **interested in joint venture with U.S. manufacturers of glasswares;** requesting technical information for same. Here (Dec. 29) for three months. c/o Iran Overseas Corp., 74 Warren, New York, N.Y. 10038. Itinerary: New York, Philadelphia, Washington, Chicago, San Francisco, Los Angeles.

PORTUGAL—Andre Do Nascimento Rafael Correia, Marketing Director, NORMA, S.A.R.L.—Soc. Estudos para o Desenvolvimento de Empresas, Av. Duque de Loule, 47-6°, Lisbon, interested in **advertising, marketing and management consulting** and **requesting technical information on current developments in advertising and marketing research.** Jan. 18 via New York for two weeks. c/o The Americana of New York, 52nd St. & Seventh Ave., New York, N.Y. 10019. Itinerary: New York.

SOUTH AFRICA—William Henry Patterson, Jr. and David Edward Patterson, representing

Pattersons Aircraft Division, 173 Schoeman St., Pretoria, Transvaal, interested in **light aircraft distribution (franchise for Africa south of the Equator).** Early Jan. via New York for 21 days. c/o Department of Commerce Field Office, 350 Fifth Ave., New York, N.Y. 10001. Itinerary: New York; Pittsburgh; Springfield, Ohio; Santa Monica, Santa Ana, Calif.; Witchita, Kan.; Jackson, Mich.

SWEDEN—Elis Linden, President, and Olle Miden, Sales Director, AB Lindenkranar, Vasteras 9, interested in **arranging for U.S. manufacture of mobile and other cranes under Swedish license.** Here (Jan. 12) for three weeks. c/o B. M. Heede, Inc., P.O. Box 158, Rye Ridge Plaza, New York 10580. Itinerary: New York; Chicago; Indianapolis; Lorain, Ohio; Los Angeles.

Construction Projects

Reports from overseas on late building and construction

ALGERIA—(100 N.F. = $20.41) Representatives of eight Saharan governments last May agreed in principle to a **trans-Saharan highway** and established a coordinating committee to study the problems involved. (INTERNATIONAL COMMERCE, July 13, 1964, p. 60). In December, the coordinating committee met in Algiers to organize study mission's composition and program.

Intermittent conclusion by the Organisme Saharien (a joint French-Algerian technical organization for Saharan affairs) was that highway route should be Algiers-Laghouat-Ghardaia-El Golea-In Salah-Tamanrasset, dividing 200 miles south of the latter into two branches: One turning southwest towards Gao, the other heading southeast toward Agades.

Estimated cost within Algeria would be $65 million for 2,750 kilometers and another $60 million for 1,250 kilometers in Mali and Niger. Annual maintenance costs range, dependent on traffic, would be $2.8 million to $4 million.

Copy of preliminary study "Problems of Transport Across the Sahara", prepared under auspices of UN Economic Commission for Africa, is available for inspection at the ECA desk, Africa Division, OIRE, Department of Commerce, Washington, D.C. 20230.

ARGENTINA—(100 pesos = 75¢) A $4.5 million loan was approved by the Inter-American Development Bank to help finance a program to **improve and expand the primary electric power system of the Province of Cordoba.**

The borrower is the Empresa Provincial de Engergia de Cordoba (EPEC), the Province's semi-autonomous electric power company. The Bank's loan will be used to finance a project which forms the second stage of a general program to increase installed capacity from 67,000 kilowatts to 90,000 kilowatts. Over-all program is to be carried out by 1967 at an estimated cost of $61 million. First stage of the program, which included the installation of generator plants, transforming stations and distribution centers in the city of Cordoba, was initiated in 1962.

Second stage calls for construction of such **supplementary facilities** as installation of underground 132-kv and 13.2-kv networks in the city of Cordoba, a 132-kv transmission line from Cordoba to Pilar and Villa Maria; a transformer substation at this point and a central command and control post.

The Bank's loan, covering 45% of the cost of this $10 million project, will be used primarily to acquire **materials and equipment for primary feeder networks** in Cordoba while remainder will be used to purchase conductors and other imported materials for the 132-kv transmission line and other electrical equipment. Up to $2.5 million of the Bank's loan will be disbursed in dollars or equivalent currencies of other countries (except Argentina) that are part of the ordinary capital resources of the Bank. About $2.2 million will be used for overseas procurement. **Write:** Empresa Provincial de Energia de Cordoba, Cordoba.

Tender, issued by the YPF, the State petroleum agency for modernization of several units of the **La Plata refinery,** was awarded to Japan Gasoline Co. Award covers **engineering, construction and installation services** valued at approx. $2.67 million. Process engineering under this award will be performed by U.S. firm Universal Oil Production Corp. working under contract with Japanese principal. YPF stated that its tender for modernization of the La Plata refinery includes **other units** which are **to be awarded** upon completion of relevant economic and technical studies.

AUSTRALIA—(1A£ = $2.25). Imperial Chemical Industries of Australia and New Zealand (ICIANZ) and Philips Petroleum have announced plans for jointly-owned A£8 million **synthetic rubber complex** in the Sydney area. Scheduled for completion by mid-1967, new complex will concentrate on production of polybutadiene (currently not being produced in Australia) and will make butadienestyrene. Plant is reportedly second one in the world to use Philips petroleum solution polymer process.

BRAZIL—Current phase of improvement and expansion plans for a 27-mile **aqueduct system** from the Guadu River to Rio de Janeiro and the city's water distribution network is being implemented with two Inter-American Development Bank loans totaling $12 million.

Consisting of pumping stations, purification plant and several tunnels and canals under construction across central mountains of Guanabara, new aqueduct system will pipe 2.4 million cubic meters of water daily into Rio de Janeiro. Cost of this phase of the project is estimated at $50.2 million.

Scheduled for completion in '66 and being carried out by the Superintendencia de Urbanizacao e Saneamento (SURSAN—State water supply and sanitation agency), project will make possible daily average supply of 400 liters per capita to 80% of city's 3.8 million population.

Distribution facilities expansion and improvement phase includes installation of 4 miles of inter-conduit connections, 10 storage ponds, 2 pumping stations, 15 miles of secondary conduits, 73 miles of pipelines from ponds to distribution system and amplification of system by 558 miles. Total estimated cost of this phase is $22.2 million. Cost of engineering and other technical services and interest during construction account for remaining $2.6 million of the $75-million project. **Write:** Superintendencia de Urbanizacao e Saneamento, Rio de Janeiro.

CANADA—(Can$10 = $9.25). Preliminary work has been started on a Can$85 million construction project which will change the face of Toronto's central waterfront area. Complex, covering 24 acres, will consist of **three 28-story and one 23-story apartment buildings, 22-story hotel-motel, 10-story headquarters building** for harbor commissioners, **one-story warehouse, several ferry docks and small craft moorings.**

Plans call for construction of apartment buildings first, early in 1965. An early start is also planned for the hotel-motel in anticipation of the '67 centennial tourist season.

Write: Marvo Construction Co., Ltd., 164 Eglinton Ave. East, Toronto, Ontario.

CHILE—(100 escudos=$51.81) Empresa Nacional del Petroleo (ENAP—State petroleum agency) has announced it will soon begin construction on a **multi-product pipeline** to connect the refinery at Concepcion (scheduled for completion late this year) with San Fernando which is about 100 kilometers south of Santiago. Domestically produced steel will be used. Scheduled to be completed in June '66, pipeline will cost 20 million escudos.

A segment of the line from San Fernando to Maipu, ENAP's distribution center for the Santiago area, is now underway. An extension to Temuco is planned for the future.

Write: ENAP, Ahumada, 341, Santiago.

DOMINICAN REPUBLIC—(100 pesos = $100) The **$2.9 million Reform Plan** of the University of Santo Domingo will be assisted by a $900,000 loan recently authorized by the Inter-American Development Bank's Social Progress Trust Fund.

Loan will finance acquisition of instruments, scientific equipment and bibliographic materials for the Schools of Engineering and Architecture, Agriculture and Veterinary Medicine and Economics.

The University, for its part, will convert the building now occupied by the School of Engineering and Architecture into the General Studies Center and will construct new buildings to house the displaced school and the Schools of Agriculture and Veterinary Medicine.

Write: University of Santo Domingo, Santo Domingo.

ECUADOR—(100 sucres = $5.55) The Executive Committee of the Guayas Province Road Commission has granted a **90-day extension on bid awards for construction of the Guayas River bridge.** (INTERNATIONAL COMMERCE, Nov. 9, 1964, p. 39).

ETHIOPIA—(Eth $2.50 = $1) **Feasibility study of proposed 300 km Awash-Tendaho road has been completed** by De Leu Cather of Canada (engineering firm). Report estimates road cost at Eth $54 million but notes

that new road would save about 22 hours travel time between Assab and Addis Ababa and would cut yearly transport costs by several million dollars. Construction may be financed by the World Bank.

NORWAY—(100 kroner = $14) Storting (Norway's Parliament) has authorized commencement of construction of the Sira-Kvina **hydroelectric power project** in Vest-Adger. Power development of the Sira and Kvina Rivers, with their extensive watersheds, will be considered as one giant project. First stage construction of power plant at Tonstad in Sirdalen was authorized. Plant will have total installed capacity of 720,000 kw but only two generators of 160,000 kw each will be constructed in the first stage. These will be the largest in use in Norway.

An intricate arangement of a 25-mile-long tunnel blasted through solid rock will bring water from the Sira and Kvina rivers to the power plant at Tonstad. Other power plants to be constructed on both rivers above Tonstad and on the Sira river below Tonstad will give a total of one million kw installed capacity. Expected production is about six billion kw-hours yearly, which will make it the largest hydroelectric power project in Norway.

Ultimate total construction cost of the Sira-Kvina project, including all power plants, water diversion tunnels and penstocks, power transmission lines and cost of land condemnation is expected to be 1.152 billion kroner.

Write: Ministry of Industry, Oslo.

SOUTH AFRICA—(1 rand = $1.40) African Explosives & Chemical Industries Ltd. has announced plans for new R16 million **ammonia plant** at Umbogintwini, Natal. About R5 million will be spent outside the Republic for plant equipment including stainless steel vessels and reactors, compressors and pumps.

Anticipated annual capacity of plant will be 160.000 short tons.

Tenders, to be called for in February, will close 2½ months later. **Write:** African Explosives & Chemical Industries Ltd., Development Dept., P.O. Box 1122, Johannesburg.

SPAIN—(100 pesatas = $1.66) Local press reports proposed joint French Spanish nuclear power plant to be built at Cataluna will cost $250 million and will be similar to the one functioning in Chinon, France. Plant should be in operation within six years. One-fourth of its electrical production will be exported to France.

SYRIAN ARAB REPUBLIC—(1 S£ = 26¢) The Municipality of Aleppo has assigned a committee to study the $3 million project of building a **combined garbage disposal, sewage treatment plant and fertilizer factory** on the outskirts of the city, which has a population of 750,000 people. Financing arrangements for the project have not been arranged as yet. Communications from U.S. firms capable of installing turnkey projects of this type are being invited. **Write:** Zakariyyah Aksh, Chief Engineer, Technical Dept., Municipality of Aleppo.

URUGUAY—(100 pesos = $13.51) Bidding is to be invited on **two highway construction projects** (Routes 5 and 26). The World Bank and the Inter-American Development Bank have made loans totaling $18.5 million. Copies of "Particular Specifications" to be used in bidding on these projects are available from the Building Materials & Construction Industries Division, BDSA, Department of Commerce, Washington, D.C. 20230. Specifications may also be purchased for $220 per set from the Secretaria del Ministro de Obtas Publicas, 18 de Julio 1118, Montevideo.

East Pakistan to build sugar mill and refinery

The Chief Purchase Officer, East Pakistan Industrial Development Corp., EPIDC House, Motijheel, Dacca-2, East Pakistan, has issued tender No. PD-IV/6507/2977, for the supply and erection of a cane sugar mill and refinery capable of producing 1,000 to 1,200 tons per 22-hour day of white sugar, with expansion to 1,500 tons at a later date.

Machinery specifications are available, but a layout design has not been accomplished. Bid deadline on the tender is currently Feb. 11, but an extension has been requested.

Specifications are available on a short-term loan basis to firms domiciled in the U.S. from the GIEC Division, BDSA-6320, Department of Commerce, Washington, D.C. 20230. Telephone: 202-WO 7-5589.

Stationery items needed

Burma is offering tender No. PSO(21)64-65/8 for various stationery items including, but not limited to, the following: several types of stencil paper, black and colored duplicating ink, signature plates, black typewriter ribbons, carbon paper, correcting fluids, etc.

Bid should be submitted by Feb. 1 to the General Manager, People's Stores Corp. No. 21, Printed Matter, Stationery & Office Equipment, 181/189 Sule Pagoda Rd., Rangoon, Burma. Cable: INNWA RANGOON.

Copies of the tender terms and specifications are available to firms located in the U.S. from the Scientific Photographic & Business Equipment Division, BDSA, Department of Commerce, Washington, D.C. 20230. Telephone: 202-WO 7-2939.

Electronic machines sought

Iraq has issued tender No. 60/64 for an electric aeronautical chart printing machine for air traffic services including, but not limited to, the following: An English typewriter with special offset equipment, electronic equipment for stencil preparing, an electric copying machine, electric scissors.

Bid should be submitted by Feb. 28 to: Central Foreign Purchasing Board, Ministry of Finance, Baghdad, Iraq.

Copies of the tender terms and specifications are available to firms located in the U.S. from the Scientific, Photographic & Business Equipment Division, BDSA, Department of Commerce, Washington, D.C. 20230. Telephone: 202-WO 7-2939.

Installation bids invited by Kuwait for steel pipes

The Government of Kuwait Minister of Electricity & Water invites U.S. firms having registered Kuwaiti partners to bid on the installation of steel pipes for gas. Cost estimate is $200.000.

Bid deadline is prior to Jan. 31.

Specifications are available for U.S. $14 from the Central Tender Board in Kuwait.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

New Books and Reports

***EFTA Trade.* Published by the European Free Trade Association. Geneva, December 1964. 87pp. (plus a statistical index of 106 tables). $3.**

A textual and tabular presentation of the European Free Trade Association's place in world trade. Presents trade with the various areas of the world, and with the developing nations. The trade of each member nation for the years 1953-63 is also reviewed.

Write: McGraw-Hill Book Company, Inc. (U.S. distributor), 351 West 41st Street, New York, N.Y. 10036.

***Investing, Licensing and Trading Conditions in 50 Countries. (8th. edition)* Published by Business International. New York, 1964. 431 pp. $120 ($108 to Business International subscribers).**

This annual book provides businessmen with a fast reference to the laws in each country and how they work—to government policies and how they help or hinder business operations. It compares 50 investment climates as an aid in determining which countries will remain or become lucrative export markets. It also examines economic, social and political conditions—pointing up promising areas for future development and potential trouble spots.

Country by country, it shows how the laws apply to overseas plants, subsidiaries, trade and licensing agreements. It tells where to find special incentives for new industrial enterprises, tax holidays, guarantees of profit remittances in dollars and loans in local currencies to spur corporate development. It also shows where to watch out for labor problems, excessive taxes, governmental red tape and restrictions on foreign ownership and management.

Case examples of leading corporations illustrate varied techniques now being used to capitalize on incentives offered in many countries and to avoid operating difficulties in others.

Write: Business International, 757 Third Avenue, New York, N.Y. 10017.

***Taxation in Colombia.* By George Jackson Eder and John C. Chommie, with Hector Julio Becerra. Prepared by the Harvard Law School International Program in Taxation. Published by the Commerce Clearing House. Chicago, 1964. 632pp. $15.**

The most complete and authoritative description of Colombian taxes available in the English language, this book is an invaluable source of information for businessmen and lawyers interested in the practical application of Colombia's tax system.

The introductory chapter provides the historical, economic, and legal background necessary for an understanding of the highly complex tax structure. The organization of the tax administration at the national, departmental, and municipal levels is also described. The next chapter presents a summary description of income taxes. Chapter 3 describes the estate, inheritance, and gift taxes, and taxes on real property. Chapter 4 summarizes the excise, production, and other taxes on commercial and civil transactions imposed by the national government and the departments and municipalities.

Part II presents a comprehensive analysis of the basic income tax. Highlights include a discussion of Colombia's tax incentive provisions, and the international aspects of income taxation under Colombia's unilateral rules.

This part also describes the rules governing income from business and investments.

Part III analyzes the net wealth and excess profits taxes; various special taxes such as the electric and steel development tax, the housing tax, the tax on underutilized land, and the livestock tax; and the documentary stamp tax and related rules requiring the use of stamped paper.

For added convenience the book contains translations of the most commonly used income tax forms.

Write: Commerce Clearing House, 4025 West Peterson Avenue, Chicago 46, Illinois.

***The Businessman's Guide to Washington.* By William Ruder and Raymond Nathan. Published by Prentice-Hall, Englewood Cliffs, N.J., February 15, 1965. 252 pp. $10.**

The authors cover the Government, agency by agency and function by function, giving lists of where to go, who to see, and where to write for information. The book tells the businessman what the Federal Government has to offer and how he can get it quickly.

Both authors have served in the Government, and they describe the kinds of services available to businessmen and show how to build good relations and maintain contacts on a regular basis. Their thesis is that there is no problem too complex in dealing with the government; the answers are available if you know where to look.

Write: Prentice-Hall, Inc., Englewood Cliffs, N.J. 07632

Yours for the asking

Subscribers to this magazine may obtain without charge a single copy of an Overseas Business Report described in this issue by making a specific written request, including the OBR number, to the Sales and Distribution Section, Department of Commerce, Washington, D.C., 20230.

Such requests must be received not more than 15 days after the publication date of the issue of *International Commerce* in which the requested OBR was listed.

***World's Principal Export Credit Insurance Systems.* Published by the International Export Credit Institute. New York, 1964. 34 pp. $10.**

A new, updated summary chart and analysis of the world's export credit systems. Based primarily on information supplied by the world's credit insurance organizations, the book is documented up to November 1964. It shows in parallel columns the comparative conditions under which exporters in the United States, Canada, Great Britain, Europe, Japan, and other world areas, can protect their receivables against commercial risks and political hazards which may lead to non-payment by foreign buyers.

The 34-page chart names 31 separate insuring entities in 23 countries, and outlines the scope of coverage offered by each, eligibility criteria, premium charges (to the extent available), financial support, underwriting results, and other pertinent data. Explanatory notes and comments amplify and clarify the chart content. Because credit now plays such a vital role in export marketing, American companies shipping their products abroad and those operating offshore manufacturing and distributing facilities could find the charts of considerable value.

Write: The International Export Credits Institute, c/o International Section, New York Board of Trade, 1 Liberty St., New York, N.Y. 10005.

***Overseas Business Reports.* U.S. Dept. of Commerce. Washington, 1964. $18 per year ($12 additional for overseas mailing), 15 cents per copy. Order from any Commerce Field Office or the Supt. of Documents, GPO, Wash., D.C., 20402.**

Basic Data on the Economy of Malta. OBR 64-125. 8pp. Describes Malta's geography, population, employment, government, national income, agriculture and fisheries, extractive and manufacturing industries, foreign trade, private investment, transportation, financial situation and development programs.

The Market for Books in India. OBR 64-127. 6pp. Summarizes the literacy and educational level of the Indian population, the activities of the domestic printing and publishing industries, Indian book imports, import duties and regulations, domestic distribution channels and established trade practices.

U.S. Trade With Major World Areas, Jan.-Sept. 1964. OBR 64-130. 16pp. Six tables reviewing U.S. trade during the first three quarters of 1964.

Foreign Trade Regulations of Iraq. OBR 64-131. 7pp. Outlines Iraq's trade policy, import tariff system, sales and other internal taxes, required documentation and fees, labeling and marking requirements, special customs provisions, nontariff import controls, export controls, and U.S. controls affecting trade with Iraq.

Foreign Trade Regulations of Finland. OBR 64-132. 8pp. Contains the same type of information as OBR 64-131, above.

***Purchasing Power and Regional Maps of Germany—1964.* (Kaufkraft- und Kreiskarte der Bundesrepublik. Prepared by the Gesellschaft fuer Konsum-, Markt- und Absatzforschung e.V., Nuernberg. Published by the Verlag Moderne Industrie, Aachener Strasse 9, 8 Muenchen 23, Germany. Price: about $6.15.**

Prepared by the German Institute for Consumer Research, this ten-color map of purchasing power in Germany is based on data including sales of consumer associations, trade and tourism expenditures, and previously unpublished figures concerning salaries and income tax collections. Such information is helpful to anyone comparing different regions of Germany to determine the best markets for particular products. A map outlining the regional divisions of Germany accompanies the purchasing power map, both of which are available in a pocket-size folder. **MZ.**

Calendar *for international traders*

January

18—Explanation of New Schedule B and Comprehensive Export Schedule 9:30 A.M.—International Arrival Bldg., International Airline departure lobby, Terminal #1, O'Hare Field, **Chicago;** 2 P.M.—25 fl., New Federal Bldg.

19—In-office meeting, Field Office, **Chicago.**

19—FCIB Hardware-Automotive & Allied Trades Group, luncheon meeting, 12:30 P.M., Advertising Club, **New York.** Sponsor: Foreign Credit Interchange Bureau.

20—Chicago-Midwest Credit Assn., La-Salle Hotel, **Chicago.**

20—Trade Mission Terminal Conference —Greece and Spain, Hotel Claridge, **Memphis, Tenn.** Sponsors: Mid-South Exporters' Roundtable; Field Office, Department of Commerce.

20—Consultations with area businessmen with Harold Harris, Channel Master Corp., Ellenville, N.Y., member of trade Mission to Yugoslavia, Field Office, **Philadelphia.**

20—International Roundtable, American Marketing Association, Hulling's Restaurant, **St. Louis.** Sponsors: REEC; Chamber of Commerce; World Trade Club.

20—Discussion of new Schedule B and Comprehensive Export Schedule, 9 A.M.-12 noon, Pick Fort Shelby Hotel, **Detroit.** Speakers: Washington representatives from Bureau of Census and Office of Export Control. Sponsors: Field Office, Department of Commerce; U.S. Customs.

20—In-Office Workshop, 10 A.M., Field Office, **Cleveland.** Sponsors: Field Office, Department of Commerce; REEC.

21—Sales and Marketing Executives International afternoon program on Commerce services, Golden Valley Clubhouse, **Minneapolis.**

21—Member of U.S. Trade Mission to Yugoslavia available for consultation with businessmen, (by appointment only), Field Office, **Minneapolis.**

21—"Profits in Exports" Conference, Robert-Treat Hotel, **Newark, N.J.** Sponsors: World Trade Assn.; Greater Newark Chamber of Commerce; REEC; Field Office, Department of Commerce.

21—New Export Control Regulations Training Meeting, 9 A.M., Field Office, **Cleveland.** Sponsors: Field Office, Department of Commerce; Collector of Customs. Speakers: John R. Collins, Office of Export Control; Ralph Hamilton, Bureau of Census.

21—Export Control Luncheon, noon, Mid-Day Club, **Cleveland.** Sponsor: Cleveland. World Trade Assn.

21—FCIB Drug, Chemical & Food Export Club, luncheon meeting, 12:15 P.M., Advertising Club, **New York.** Sponsor: Foreign Credit Interchange Bureau.

22—New Export Control Regulations Training meeting, Chamber of Commerce, **Toledo, Ohio.** Sponsors: Toledo Area Chamber of Commerce; Field Office, Department of Commerce. Speakers: John R. Collins, Office of Export Control; Ralph Hamilton, Bureau of Census.

22—Businessmen's consultations with member of U.S. Trade Mission to Yugoslavia, 8:30 A.M.-5 P.M., Field Office, **Cleveland.** Sponsors: Field Office, Department of Commerce; REEC.

25—Meeting of Sales Representatives of Reading (Railroad) Co. & Philadelphia Businessmen, Sheraton Hotel, **Philadelphia.** Speaker: E. E. Schnellbacher, Bureau of International Commerce.

25—Michiana World Trade Club, La-Salle Hotel, **South Bend, Ind.** Speaker: Walter Buchdahl, Bureau of International Commerce.

25-28—17th International Heating and Air-Conditioning Exposition, McCormick Pl., **Chicago.** Sponsor: American Society of Heating, Refrigerating and Air-Conditioning Engineers.

26—"First-Step" Export Workshop, Chamber of Commerce, **Little Rock, Ark.** Sponsors: Chamber of Commerce; Field Office, Department of Commerce.

26—In-Office Workshop for new exporters, Federal Bldg., **Kansas City, Mo.** Sponsors: Field Office, Department of Commerce; REEC.

26—Terminal Greek Trade Mission, Field Office, **Chicago.**

26—"Show You" In-Office Workshop on Export Expansion, Field Office, **St. Louis.** Sponsors: REEC; World Trade Club.

27—Members of U.S. Trade Mission to Greece and Spain available for consultation with businessmen (by appointment only), Field Office, **Minneapolis.**

27—Conference consultation on Trade Mission to Spain and Greece, 9 A.M. to 5 P.M. Field Office, **St. Louis.** Sponsors: REEC; World Trade Club; Chamber of Commerce.

27—Consultation with members Greek Trade Mission, Field Office, **Milwaukee.** Sponsors: REEC; Field Office, Department of Commerce.

27—Richmond Export-Import Club luncheon, Rotunda Club, **Richmond, Va.** Speaker: Stephen Mamisnak, Bureau of International Commerce.

28—Industrial Management Club of Reading and Berks County, Abraham Lincoln Hotel, **Reading, Pa.** Speaker: Walter Buchdahl Bureau of International Commerce.

28—Businessmen's consultations and luncheon with full membership, U.S. Trade Mission to Spain, 10 A.M., St. Regis Hotel, **New York.** Sponsors: Spain-U.S. Chamber of Commerce; Field Office, Department of Commerce.

28—In-Office Export Conference, Field Office, **Atlanta.** Sponsors: Field Office, Department of Commerce; REEC.

28—In-Office Workshop for new exporters, Field Office, **Miami.**

28—World Trade Club of St. Louis monthly dinner meeting. Ruggeri's Restaurant, **St. Louis.**

28—Businessmen's Consultations with members of Yugoslavian-Greek Trade Mission, Field Office, **Chicago.**

28—Businessmen's consultations with member of U.S. Trade Mission to Greece, 8:30 A.M.-5 P.M., Field Office, **Cleveland.** Sponsors: Field Office, Department of Commerce; REEC.

28—Nebraska Chamber of Commerce Managers Assn., dinner, Cornhusker Hotel, **Lincoln, Neb.** Speaker: George Donat, BDSA Administrator.

29—Terminal Conference, Greek Trade Mission, Muehlebach Hotel, **Kansas City, Mo.** Sponsors: REEC; Field Office, Department of Commerce; International Trade Club.

29—Consultations with members of Greek Trade Mission, Chamber of Commerce, **Indianapolis.**

29—Spanish Trade Mission Conference, Pick Fort Shelby Hotel, **Detroit.** Sponsor: Field Office, Department of Commerce.

30-6—1965 New England Industrial Trade Fair, Suffolk Downs, **Boston.** Sponsors: New England Council; Harvard University Graduate School of Business Administration; Boston University College of Business Administration; Chamber of Commerce; Boston Herald-Traveler.

February

1—Women's Club of Fairfax, dinner meeting, Fairfax Methodist Church, **Fairfax, Va.** Speaker: Charles J. Barrett, Bureau of International Commerce.

1—Export Training Course, 1st of nine weekly sessions, Rutgers Newark Extension, **Newark, N.J.** Sponsors: Rutgers University; REEC; Field Office, Department of Commerce; New Jersey Department of Conservation and Economic Development.

3—Annual Convention, Chemical Market Research Assn, Shamrock Hotel, **Houston, Texas.** Speaker: Claude W. Courand, Bureau of International Commerce.

4—Union Carbide International Co. Council of International Marketing Research and Planning Directors, meeting, Harvard School of Business. **Cambridge, Mass.** Speaker: F. D. Hockersmith, Bureau of International Commerce.

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